

# **ANNUAL BUDGET OF MKHAMBATHINI MUNICIPALITY**



## **2017/18 TO 2019/20 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

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## Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative	M	Mayor
BPC	Budget Planning Committee	MBRR	Municipal Budget & Reporting Regulations
CFO	Chief Financial Officer	MEC	Member of the Executive Committee
CM	Municipality Manager	MFMA	Municipal Financial Management Act
CPI	Consumer Price Index	MIG	Municipal Infrastructure Grant
CRRF	Capital Replacement Reserve Fund	MPRA	Municipal Properties Rates Act
DBSA	Development Bank of South Africa	MSA	Municipal Systems Act
DoRA	Division of Revenue Act	MTEF	Medium-term Expenditure Framework
DWA	Department of Water Affairs	MTREF	Medium-term Revenue and Expenditure Framework
EE	Employment Equity	NERSA	National Electricity Regulator South Africa
EEDSM	Energy Efficiency Demand Side Management	NGO	Non-Governmental Organisations
FBS	Free basic services	NKPIs	National Key Performance Indicators
GAMAP	Generally Accepted Municipal Accounting Practice	OHS	Occupational Health and Safety
GDP	Gross Domestic Product	OP	Operational Plan
GDS	Gauteng Growth and Development Strategy	PBO	Public Benefit Organisations
GFS	Government Financial Statistics	PHC	Provincial Health Care
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
HSRC	Human Science Research Council	PPP	Public Private Partnership
IDP	Integrated Development Plan	PTIS	Public Transport Infrastructure System
IT	Information Technology	RG	Restructuring Grant
kℓ	kilolitre	RSC	Regional Services Council
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SAPS	South African Police Service
KPI	Key Performance Indicator	SDBIP	Service Delivery Budget Implementation Plan
kWh	kilowatt hour	SMME	Small Micro and Medium Enterprises
ℓ	litre		
LED	Local Economic Development		

## **Part 1 – Annual Budget**

### **1.1 Mayor’s Report**

#### **SPEECH BY THE MAYOR OF MKHAMBATHINI MUNICIPALITY**

**CLLR E. NGCONGO PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF THE  
TABLING OF THE 2017/2018, 2018/2019 and 2019/2020 DRAFT BUDGET IN THE COUNCIL  
CHAMBERS, CAMPERDOWN,  
ON TUESDAY 28 MARCH 2017**

Speaker,

Executive Committee Members,

Councillors,

Municipal Manager,

Managers,

Chief Financial Officer,

Staff,

Members of the media if any are present and Public,

Ladies and Gentlemen.

It is a great honour to present to you the multi-year budget for MKHAMBATHINI Municipality in respect of the 2017/18, 2018/19 and 2019/20 financial years.

Speaker and members of Council, this multi-year budget is tabled in terms of the Municipal Finance Management Act (MFMA), No 56 of 2003 and in terms of the Municipal Budget & Reporting Regulations. The MFMA requires that the budget be tabled ninety (90) days before the start of the financial year and we are fully complying with this requirement. It is the intention to have this budget finally approved on 29 May 2017 which will be in compliance of the requirements of the MFMA.

Inflation is forecast to remain within the target range of 6.1 to 5.8 percent. Per MFMA circular 85 .This was taken into account when the budget was compiled.

Cognisance should be taken that the SALGA recently entered into a three-year salary and Wage collective agreement for the period 1 July 2015 to 30 Jun 2018. The agreement reached is as follows:

- 2015/2016 financial year – 7 per cent
- 2016/2017 financial year – average CPI ( Feb 2015 – Jan 2016 ) +1 per cent
- 2017/2018 financial year – average CPI ( Feb 2016 – Jan 2017 ) +1 per cent

Speaker, Council's Plan (IDP) to inform the 2017/18 financial year's budget was also tabled to Council today. I am pleased to announce that this draft budget is aligned to the draft revised IDP. Due to the current financial situation of MKHAMBATHINI Municipality we can only fund capital projects through the Municipal Infrastructure Grant which amounts to R 16 285 million as well as complete the projects from 2016/2017 year. Few projects are funded from the Municipality's own reserves per the detailed capital budget.

### **Governance**

The Internal Audit Activity stills operate as an outsourced Internal Audit Services which is an indication of a commitment in promoting good governance. Internal Audit Activity has formed a working relationship with the Provincial Internal Audit Unit and National Treasury Risk and Internal Audit Support Unit for skills and resources sharing and to strengthen the Internal Audit Activities operations. A risk based audit plan has been developed and systems of internal control were tested to effectively monitor the vulnerability of operations within the municipality. Internal Audit also meets on a regular basis as well MPAC.

MKHAMBATHINI Municipality Youth Advisory Centre continues to service the youth who are seeking advice on careers, receiving vouchers for small businesses, life skills, and basic computer skills. The centre of gender issues also resides in the youth development office.

### **Housing**

Speaker, we have 4 housing projects within the MKHAMBATHINI Municipality. To date, low income houses have been constructed. These include areas such as Mbambangalo, Maqongqo, Kwa Njobokazi and Kwa Mahleka. Furthermore, there are projects that are in the planning and packaging stage, which include Stockdale, Poortjie and Ward 7 Rural Housing

## **Property Rates**

- The new general valuation roll came into effect on 1 July 2014. A Supplementary valuation roll has been received and is going to be advertised for comment in April 2017 for comment before being implemented. The Rates Policy has been amended to make provision for the changes in the amendments to the Property rates act and regulations.
- There will be rates exemption up to R300 000 of the valuation for residential properties in 2017/18 as granted in the previous years.

I must mention Speaker, that after this meeting, the municipality will have public participation process to showcase the IDP and Budget and to share with our people different views on what I am about to table to this Council.

## **Back to basics**

Speaker, we all aware of the concept of Back to basics and the importance of implementing a back to basic plan. We are fortunate that through the COGTA assessment, Mkhambathini Municipality was found to be functional, but we must still make every effort to improve on upholding the 5 pillars of the Back to Basics concept and improve the lives of our citizens. We continue to align ourselves to the programmes rolled out by National and Provincial Government. We have provided an amount in our budget to deal with some priorities of Back to basics.

## **MSCOA**

Speaker, Local Government has seen many reforms since the Implementation of the Municipal Management Finance Act over the years. Recently National Treasury has commenced with the roll out of programmes to implement the Municipal standard chart of accounts – Mscoa. A lot more needs to be done to implement this new reform as we go live on 1 July 2017. Funding for implementation Mscoa is from the Financial Management Grant and Municipal System Improvement Grant and own funding. Reports have been coming to Council during the last 2 years on the implementation and readiness towards Mscoa.

## **Current Economic Conditions and Funding**

Speaker, as you are aware, the Country is experiencing harsh economic times and is experiencing a severe drought. As a result of this, food prices and other essential commodities are rising rapidly. This prompted National and Provincial Government to introduce cost cutting and saving measures in order to deliver services and sacrifice



effectively. As the result of this funding to Local Government has been being reduced. Grant funding has been reduced and affects, Equitable Share and MIG. The effect of Governments austerity measures, has placed the Municipal budget under pressure and the Municipality has also embarked on cost saving measures and introduced them in this budget. Prudent Financial Management and constant monitoring of the budget must take place during the year through in year monitoring.

I THANK YOU

## **1.2 Council Resolutions**

On 28 March 2017 the Council of Mkhambathini Municipality Local Municipality met in the Council Chambers of Mkhambathini Municipality to consider the annual budget of the municipality for the financial year 2017/18. The Council approved and adopted the following resolutions:

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of Mkhambathini Municipality for the financial year 2017/2018 and indicative allocations for the two projected outer years 2018/2019 and 2019/2020, and the multi-year and single year capital appropriations are approved as set out in the following tables:

1.1 Budgeted Financial Performance (revenue & expenditure by standard classification)

1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)

1.3 Budgeted Financial Performance (revenue by source and expenditure by type)

1.4 Single year capital appropriations by municipal vote and standard classification and associated funding by source

2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables

2.1 Budgeted Financial Position

2.2 Budgeted Cash Flows

2.3 Cash backed reserves and accumulated surplus reconciliation

2.4 Asset Management

2.5 Basic service delivery measurement

3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended all other tariffs as set out in Other Supporting Documents be approved with effect from 1 July 2017.

4. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy as amended be approved
5. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003 the various budget-related policies as amended be approved.
6. That in terms of section 14 of the Municipal Property Rates Act, 6 of 2004 the rate randage and conditions as set out in Other Supporting Documents be approved be approved with effect from 1 July 2017
7. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework be approved
8. That the salaries, wages and allowances of all employees be increased in accordance with the multi-year SALGBC wage agreement with effect from 1 July 2017 by 7.33%.
9. That once this budget is tabled the information be uploaded to the LG Portal with the necessary Mscoa information

### **1.3 Executive Summary**

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, travel, accommodation, and catering.

The Municipality has embarked on implementing a revenue collection strategies to optimize the collection of debt owed by ratepayers. In addition to supplementing the declining revenue base, and reduction in grant funding the Municipality has introduced a refuse tariff to areas within the Municipality which refuse is being collected. The tariff which is being introduced will be reviewed during the course of the year to ensure that it is cost reflective and sustainable, however this is still a challenge as the service is only be carried out in the urban area of Camperdown

National Treasury's MFMA No. 85 were used to guide the compilation of the 2017/18 MTREF.

The main challenges experienced during the compilation of the 2017/18 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;

- Aging and poorly maintained roads infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and limited cash position of the municipality;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – allocations had to be reduced to grant funded projects and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2017/18 MTREF process; and
- The implementation of a sustainable refuse tariff

The following budget principles and guidelines directly informed the compilation of the 2017/18MTREF:

- The 2016/17 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2017/18 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the NT.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2016/17 MTREF**

Description	Adjusted Budget 2016-2017	Budget 2017-2018	Budget 2018-2019	Budget 2019-2020
Total Operating Revenue	88,180,392	86,903,020	91,456,136	96,470,787
Total Operating Expenditure	84,290,098	86,760,565	89,876,340	94,653,918
Surplus/(Deficit)	3,890,294	142,455	1,579,795	1,816,869
Total Capital Expenditure	19,426,000	22,985,000	17,684,000	18,422,000

Total operating revenue has decreased by 1.5 per cent or R 1, 277 million for the 2017/18 financial year when compared to the 2016/17 Adjustments Budget. For the two outer years, operational revenue will increase by R 4,553 million and increase by R 5,014 equating to a total revenue growth of R8,280 million over the MTREF when compared to the 2016/17 financial year.

Total operating expenditure for the 2017/18 financial year has been appropriated at R86,,760 million and translates into a budgeted surplus of R 142 455. When compared to the 2016/17Adjustments Budget, operational expenditure has increased by 2.9 per cent in the

2017/18 budget and increased by 3.59 and decreased by 5,3 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years is R 1,579 million and R 1,816 million respectively. These surpluses are arrived at after taking in account cash items in and funding of capital projects from own funding.

The capital budget of R22 985 million for 2017/18 is 17 ,8 per cent more when compared to the 2016/17 Adjustment Budget. The increase is due to various projects being funded from own funding after taking into account affordability constraints in the light of current economic circumstances. Only capital projects funded through the Municipal Infrastructure Grant is included in the 2016/17 capital budget and a portion of essential expenditure from own funding for rehabilitation of internal urban roads. The capital programme decreases to R17, 684 million in the 2018/19 financial year and then increases to R18, 422 million in 2019/20.

## **1.4 Operating Revenue Framework**

For Mkhambathini Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges over the next two financial years.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

**MKHAMBATHINI Municipality 2017/18 Draft Annual Budget and MTREF**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>										
<b>Revenue By Source</b>											
Property rates	2	7,038	11,573	11,826	12,663	12,663	12,663	12,663	13,435	14,182	15,005
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	500	500	500	500	531	560	592
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments		731	832	1,526	1,650	2,467	2,467	2,467	2,618	2,763	2,924
Interest earned - outstanding debtors		148	1,179	1,272	1,176	1,176	1,176	1,176	1,248	1,317	1,394
Dividends received											
Fines, penalties and forfeits		34	32	41	70	70	70	70	74	78	83
Licences and permits		3,543	3,946	3,576	3,923	4,391	4,391	4,391	4,659	4,918	5,203
Agency services			-								
Transfers and subsidies		33,306	47,283	59,997	64,525	66,111	66,111	66,111	63,487	66,738	70,319
Other revenue	2	406	410	384	803	803	803	803	851	899	951
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>45,207</b>	<b>65,255</b>	<b>78,621</b>	<b>85,310</b>	<b>88,182</b>	<b>88,182</b>	<b>88,182</b>	<b>86,903</b>	<b>91,456</b>	<b>96,471</b>

**Table 2 Summary of revenue classified by main revenue source**

**Table 3 Percentage growth in revenue by main revenue source**

Description	2017/2018 Medium Term Revenue & Expenditure Framework					
	Estimated Actual to June 2017	Budget year 2018	Increase	Budget year 18/19	Increase	Budget year 19/20
<b>R thousand</b>						
<b>Revenue By Source</b>						
Property rates	12,663	13,435	6.10%	14,182	5.90%	15,005
Service charges - refuse revenue	500	531	6.10%	560	5.90%	592
Interest earned - external investments	2,467	2,618	6.10%	2,763	5.90%	2,924
Interest earned - outstanding debtors	1,176	1,248	6.10%	1,317	5.90%	1,394
Fines, penalties and forfeits	70	74	6.10%	78	5.90%	83
Licences and permits	4,391	4,659	6.10%	4,918	5.90%	5,203
Transfers and subsidies	66,111	63,487	3.97%	66,738	5.12%	70,319
Other revenue	803	851	6.10%	899	5.90%	951
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>88,182</b>	<b>86,903</b>	<b>-</b>	<b>91,456</b>	<b>-</b>	<b>96,471</b>

Revenue generated from rates forms a minor part of income generated by the Municipality. The majority of Municipal revenue come from equitable share. Operating Grants & Subsidies are also a source.

**Table 4 Operating Transfers and Grant Receipts**

**KZN226 Mkhambathini - Supporting Table SA18 Transfers and grant receipts**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		36,123	50,062	58,862	63,261	63,261	63,261	62,162	65,346	68,366
Local Government Equitable Share		32,583	39,424	51,341	50,183	50,183	50,183	51,173	55,191	57,951
Finance Management		1,650	1,815	1,800	1,825	1,825	1,825	1,900	2,155	2,415
Municipal Systems Improvement		890	943	930	—	—	—	—	—	—
Integrated National Electrification Programme		—	6,748	2,000	10,000	10,000	10,000	8,000	8,000	8,000
EPWP Incentive		1,000	1,132	1,058	1,253	1,253	1,253	1,089	—	—
Roll Over - Electrification				1,733						
<b>Provincial Government:</b>		—	—	—	—	—	—	—	—	—
Roll Over - Electrification										
<b>District Municipality:</b>		—	—	—	—	—	—	—	—	—
[insert description]										
<b>Other grant providers:</b>		653	681	1,244	1,264	1,264	1,264	1,325	1,392	1,453
Library Grant		653	681	1,244	1,264	1,264	1,264	1,325	1,392	1,453
<b>Total Operating Transfers and Grants</b>	5	36,776	50,743	60,106	64,525	64,525	64,525	63,487	66,738	69,819
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		14,427	17,341	16,851	15,626	15,626	15,626	16,285	16,984	17,722
Municipal Infrastructure Grant (MIG)		14,427	17,341	16,851	15,626	15,626	15,626	16,285	16,984	17,722
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		—	—	—	—	—	—	—	—	—
Other capital transfers/grants [insert description]										
<b>District Municipality:</b>		—	—	—	—	—	—	—	—	—
[insert description]										
<b>Other grant providers:</b>		—	—	—	—	—	—	—	—	—
Library Grant										
<b>Total Capital Transfers and Grants</b>	5	14,427	17,341	16,851	15,626	15,626	15,626	16,285	16,984	17,722
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		51,203	68,084	76,957	80,151	80,151	80,151	79,772	83,722	87,541

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

#### **1.4.1 Property Rates**

Property rates cover the cost of the provision of general services and repairs and maintenance. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circulars No.58 and 59 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

**Table 5 MBRR Table SA14 – Household bills**

KZN226 Mkhambathini - Supporting Table SA14 Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
Electricity: Basic lev y											
Electricity: Consumption											
Water: Basic lev y											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
VAT on Services											
<b>Total large household bill:</b>		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
<b>% increase/-decrease</b>			29.9%	5.9%	-	-	-	6.1%	6.1%	5.9%	5.8%
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates									451.25	477.42	505.11
Electricity: Basic lev y											
Electricity: Consumption											
Water: Basic lev y											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		-	-	-	-	-	-	-	451.25	477.42	505.11
VAT on Services											
<b>Total small household bill:</b>		-	-	-	-	-	-	-	451.25	477.42	505.11
<b>% increase/-decrease</b>			-	-	-	-	-	-	-	5.8%	5.8%
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Electricity: Basic lev y		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Electricity: Consumption		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Water: Basic lev y		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Water: Consumption		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Sanitation		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Refuse removal		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Other		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services											
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-	-	-	-	-

## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;



- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of operating expenditure):

Expenditure By Type											
Employee related costs	2	20,388	21,411	21,594	27,056	27,056	27,056	27,056	32,247	34,149	36,130
Remuneration of councillors		4,123	4,492	4,620	5,088	5,088	5,088	5,088	5,398	5,717	6,048
Debt impairment	3	1,765	2,258	1,727	700	700	700	700	700	700	700
Depreciation & asset impairment	2	4,039	4,627	5,588	4,800	6,000	6,000	6,000	6,100	6,300	6,400
Finance charges		34	16	–	184	184	184	184	196	207	219
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		8,808	7,734	–	–	–	–	–	–	–	–
Other expenditure	4, 5	13,763	17,470	27,281	43,678	45,264	45,264	45,264	42,120	42,803	45,157
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>52,921</b>	<b>58,008</b>	<b>60,809</b>	<b>81,506</b>	<b>84,292</b>	<b>84,292</b>	<b>84,292</b>	<b>86,761</b>	<b>89,876</b>	<b>94,654</b>
<b>Surplus/(Deficit)</b>		<b>(7,714)</b>	<b>7,246</b>	<b>17,813</b>	<b>3,805</b>	<b>3,890</b>	<b>3,890</b>	<b>3,890</b>	<b>142</b>	<b>1,580</b>	<b>1,817</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		15,626	18,057	16,851	15,626	15,626	15,626	15,626	16,285	16,984	17,722
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>7,912</b>	<b>25,303</b>	<b>34,664</b>	<b>19,431</b>	<b>19,516</b>	<b>19,516</b>	<b>19,516</b>	<b>16,427</b>	<b>18,564</b>	<b>19,539</b>
Taxation		–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after taxation</b>		<b>7,912</b>	<b>25,303</b>	<b>34,664</b>	<b>19,431</b>	<b>19,516</b>	<b>19,516</b>	<b>19,516</b>	<b>16,427</b>	<b>18,564</b>	<b>19,539</b>
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) attributable to municipality</b>		<b>7,912</b>	<b>25,303</b>	<b>34,664</b>	<b>19,431</b>	<b>19,516</b>	<b>19,516</b>	<b>19,516</b>	<b>16,427</b>	<b>18,564</b>	<b>19,539</b>
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>		<b>7,912</b>	<b>25,303</b>	<b>34,664</b>	<b>19,431</b>	<b>19,516</b>	<b>19,516</b>	<b>19,516</b>	<b>16,427</b>	<b>18,564</b>	<b>19,539</b>

**Table 6 Summary of operating expenditure by standard classification item**

The budgeted allocation for employee related costs for the 2017/18 financial year totals R31.063 million, which equals 42 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7.33 per cent for the 2017/18 financial year. An annual increase of 5.9 % and 5.8 per cent has been included in the two outer years of the MTREF to be conservative and implement cost cutting measures. Circular 85 revised this targets to 6.1% 2017/2018 and 5.9% and 5.8% respectively for the outer years. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on last year's provision. For the 2017/18 financial year, this amount equates to R700 000. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R6,1 million for the 2017/18 financial year and equates to 7 per cent of the total operating expenditure.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 6,1 per cent for 2017/18 and curbed at 5.9 per cent for the two outer years, indicating that significant cost savings have been already realised.

#### **1.5.1 Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2017/18 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance.

**Table 7 Operational repairs and maintenance**

# MKHAMBATHINI Municipality 2017/18 Draft Annual Budget and MTREF

**KZN226 Mkhambathini - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure		1,060	150	2,000	2,600	2,600	2,600	2,759	2,921	3,091	
Roads Infrastructure		1,060	150	2,000	2,600	2,600	2,600	2,759	2,921	3,091	
Roads		1,060	150	2,000	2,600	2,600	2,600	2,759	2,921	3,091	
Road Structures											
Road Furniture											
Capital Spares											
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	
Drainage Collection											
Storm water Conveyance											
Attenuation											
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	
Power Plants											
HV Substations											
HV Switching Station											
HV Transmission Conductors											
MV Substations											
MV Switching Stations											
MV Networks											
LV Networks											
Capital Spares											
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	
Dams and Weirs											
Boreholes											
Reservoirs											
Pump Stations											
Water Treatment Works											
Bulk Mains											
Distribution											
Distribution Points											
PRV Stations											
Capital Spares											
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	
Pump Station											
Reticulation											
Waste Water Treatment Works											
Outfall Sewers											
Toilet Facilities											
Capital Spares											
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	
Landfill Sites											
Waste Transfer Stations											
Waste Processing Facilities											
Waste Drop-off Points											
Waste Separation Facilities											
Electricity Generation Facilities											
Capital Spares											
Rail Infrastructure		-	-	-	-	-	-	-	-	-	
Rail Lines											
Rail Structures											
Rail Furniture											
Drainage Collection											
Storm water Conveyance											
Attenuation											
MV Substations											
LV Networks											
Capital Spares											
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	
Sand Pumps											
Piers											
Revetments											
Promenades											
Capital Spares											
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	
Data Centres											
Core Layers											
Distribution Layers											
Capital Spares											

# MKHAMBATHINI Municipality 2017/18 Draft Annual Budget and MTREF

<b>Community Assets</b>										
Community Facilities	–	2,560	1,500	1,400	1,400	1,400	2,122	2,247	2,378	
Halls		2,560	1,500	1,400	1,400	1,400	2,122	2,247	2,378	
Centres		1,500	1,500	1,400	1,400	1,400	1,485	1,573	1,664	
Crèches		1,060					637	674	713	
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Purfs										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–	
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>	–	–	–	–	–	–	–	–	–	
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>	–	–	–	–	–	–	–	–	–	
Revenue Generating	–	–	–	–	–	–	–	–	–	
Improved Property										
Unimproved Property										
Non-revenue Generating	–	–	–	–	–	–	–	–	–	
Improved Property										
Unimproved Property										
<b>Other assets</b>	318	320	1,600	1,400	1,400	1,400	743	787	832	
Operational Buildings	318	320	1,600	1,400	1,400	1,400	743	787	832	
Municipal Offices	318	320	800	700	700	700	743	787	832	
Pay/Enquiry Points										
Building Plan Offices										
Workshops			800	700	700	700				
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing	–	–	–	–	–	–	–	–	–	
Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>	–	–	–	–	–	–	–	–	–	
Biological or Cultivated Assets										
<b>Intangible Assets</b>	–	–	–	–	–	–	–	–	–	
Serv itudes										
Licences and Rights	–	–	–	–	–	–	–	–	–	
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	–	–	–	–	–	–	159	169	178	
Computer Equipment							159	169	178	
<b>Furniture and Office Equipment</b>	–	–	150	150	150	150	–	–	–	
Furniture and Office Equipment			150	150	150	150				
<b>Machinery and Equipment</b>	21	100	–	–	–	–	318	337	357	
Machinery and Equipment	21	100					318	337	357	
<b>Transport Assets</b>	–	150	600	600	600	600	637	674	713	
Transport Assets		150	600	600	600	600	637	674	713	
<b>Libraries</b>	–	–	–	–	–	–	–	–	–	
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>	–	–	–	–	–	–	–	–	–	
Zoo's, Marine and Non-biological Animals										
<b>Total Repairs and Maintenance Expenditure</b>	1	1,399	3,280	5,850	6,150	6,150	6,150	6,737	7,135	7,549
<b>R&amp;M as a % of PPE</b>		1.8%	3.5%	5.5%	4.8%	4.8%	4.8%	5.3%	5.8%	5.6%
<b>R&amp;M as % Operating Expenditure</b>		2.6%	5.7%	9.6%	7.5%	7.3%	7.3%	8.0%	8.2%	8.4%

### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. And takes the form of social relief for the family of deceased persons who are destitute without income.

## 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 8 2016/17 Medium-term capital budget per vote**

KZN226 Mkhambathini - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		1,500	35	1,450	1,620	780	780	780	1,060	560	560
Executive and council			35	200	1,340	500	500	500	570	70	70
Finance and administration		1,500			280	280	280	280	490	490	490
Internal audit				1,250							
<b>Community and public safety</b>		-	630	-	240	140	140	140	16,355	8,498	70
Community and social services		-	630		240	140	140	140	16,355	8,498	70
Sport and recreation											
Public safety											
Housing											
Health											
<b>Economic and environmental services</b>		16,427	12,139	17,851	17,566	19,477	19,477	19,477	3,570	8,626	17,792
Planning and development											
Road transport		16,427	12,139	17,851	17,566	19,477	19,477	19,477	3,570	8,626	17,792
Environmental protection											
<b>Trading services</b>		-	-	-	-	-	-	-	2,000	-	-
Energy sources											
Water management											
Waste water management											
Waste management									2,000		
<b>Other</b>											
<b>Total Capital Expenditure - Functional</b>	3	17,927	12,804	19,301	19,426	20,397	20,397	20,397	22,985	17,684	18,422
<b>Funded by:</b>											
National Government		14,427	12,139	16,851	15,626	15,626	15,626	15,626	16,285	16,984	17,722
Provincial Government											
District Municipality											
Other transfers and grants											
<b>Transfers recognised - capital</b>	4	14,427	12,139	16,851	15,626	15,626	15,626	15,626	16,285	16,984	17,722
<b>Public contributions &amp; donations</b>	5										
<b>Borrowing</b>	6										
<b>Internally generated funds</b>		3,500	665	2,450	3,500	3,500	3,500	3,500	6,700	700	700
<b>Total Capital Funding</b>	7	17,927	12,804	19,301	19,126	19,126	19,126	19,126	22,985	17,684	18,422

For 2017/18 an amount of R 22,985 million has been appropriated for the development of infrastructure. In the outer years this amount totals R17,684 million, and R18,422 million, respectively for each of the financial years.

#### Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 9 MBRR Table A1 - Budget Summary**

KZN226 Mkhambathini - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	7,038	11,573	11,826	12,663	12,663	12,663	12,663	13,435	14,182	15,005
Service charges	–	–	–	500	500	500	500	531	560	592
Investment revenue	731	832	1,526	1,650	2,467	2,467	2,467	2,618	2,763	2,924
Transfers recognised - operational	33,306	47,283	59,997	64,525	66,111	66,111	66,111	63,487	66,738	70,319
Other own revenue	4,131	5,566	5,273	5,972	6,441	6,441	6,441	6,832	7,212	7,631
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>45,207</b>	<b>65,255</b>	<b>78,621</b>	<b>85,310</b>	<b>88,182</b>	<b>88,182</b>	<b>88,182</b>	<b>86,903</b>	<b>91,456</b>	<b>96,471</b>
Employee costs	20,388	21,411	21,594	27,056	27,056	27,056	27,056	32,247	34,149	36,130
Remuneration of councillors	4,123	4,492	4,620	5,088	5,088	5,088	5,088	5,398	5,717	6,048
Depreciation & asset impairment	4,039	4,627	5,588	4,800	6,000	6,000	6,000	6,100	6,300	6,400
Finance charges	34	16	–	184	184	184	184	196	207	219
Materials and bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants	8,808	7,734	–	–	–	–	–	–	–	–
Other expenditure	15,528	19,728	29,007	44,378	45,964	45,964	45,964	42,820	43,503	45,857
<b>Total Expenditure</b>	<b>52,921</b>	<b>58,008</b>	<b>60,809</b>	<b>81,506</b>	<b>84,292</b>	<b>84,292</b>	<b>84,292</b>	<b>86,761</b>	<b>89,876</b>	<b>94,654</b>
<b>Surplus/(Deficit)</b>	<b>(7,714)</b>	<b>7,246</b>	<b>17,813</b>	<b>3,805</b>	<b>3,890</b>	<b>3,890</b>	<b>3,890</b>	<b>142</b>	<b>1,580</b>	<b>1,817</b>
Transfers and subsidies - capital (monetary alloc	15,626	18,057	16,851	15,626	15,626	15,626	15,626	16,285	16,984	17,722
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>7,912</b>	<b>25,303</b>	<b>34,664</b>	<b>19,431</b>	<b>19,516</b>	<b>19,516</b>	<b>19,516</b>	<b>16,427</b>	<b>18,564</b>	<b>19,539</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>7,912</b>	<b>25,303</b>	<b>34,664</b>	<b>19,431</b>	<b>19,516</b>	<b>19,516</b>	<b>19,516</b>	<b>16,427</b>	<b>18,564</b>	<b>19,539</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>17,927</b>	<b>12,804</b>	<b>19,301</b>	<b>19,426</b>	<b>20,397</b>	<b>20,397</b>	<b>20,397</b>	<b>22,985</b>	<b>17,684</b>	<b>18,422</b>
Transfers recognised - capital	14,427	12,139	16,851	15,626	15,626	15,626	15,626	16,285	16,984	17,722
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	3,500	665	2,450	3,500	3,500	3,500	3,500	6,700	700	700
<b>Total sources of capital funds</b>	<b>17,927</b>	<b>12,804</b>	<b>19,301</b>	<b>19,126</b>	<b>19,126</b>	<b>19,126</b>	<b>19,126</b>	<b>22,985</b>	<b>17,684</b>	<b>18,422</b>
<b>Financial position</b>										
Total current assets	10,482	24,938	46,821	20,410	20,410	20,410	20,410	35,673	42,552	50,410
Total non current assets	81,107	99,775	112,262	133,465	133,465	133,465	133,465	129,248	140,932	153,354
Total current liabilities	8,687	12,749	11,840	7,800	7,800	7,800	7,800	8,000	8,200	8,400
Total non current liabilities	1,865	2,200	2,816	2,600	2,600	2,600	2,600	2,800	3,000	3,200
Community wealth/Equity	81,037	109,765	144,429	132,343	132,343	132,343	132,343	165,006	183,570	203,849
<b>Cash flows</b>										
Net cash from (used) operating	6,376	30,035	41,559	24,722	24,722	24,722	24,722	23,370	27,144	28,456
Net cash from (used) investing	(19,069)	(20,992)	(18,912)	(19,426)	(19,426)	(19,426)	(19,426)	(22,985)	(22,985)	(22,985)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>5,571</b>	<b>14,613</b>	<b>37,260</b>	<b>5,296</b>	<b>5,296</b>	<b>5,296</b>	<b>5,296</b>	<b>37,645</b>	<b>41,804</b>	<b>47,275</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	5,571	14,614	37,260	14,000	14,000	14,000	14,000	25,263	33,142	42,000
Application of cash and investments	2,994	5,181	1,728	441	583	583	583	(3,385)	(2,445)	(1,505)
<b>Balance - surplus (shortfall)</b>	<b>2,577</b>	<b>9,433</b>	<b>35,532</b>	<b>13,559</b>	<b>13,417</b>	<b>13,417</b>	<b>13,417</b>	<b>28,648</b>	<b>35,587</b>	<b>43,505</b>
<b>Asset management</b>										
Asset register summary (WDV)	1,503	36,673	24,502	20,877	20,877	20,877	22,985	22,985	17,684	18,422
Depreciation	2,046	4,418	4,700	4,800	4,800	4,800	6,100	6,100	6,460	6,835
Renewal of Existing Assets	–	–	–	700	700	700	700	–	–	–
Repairs and Maintenance	1,399	3,280	5,850	6,150	6,150	6,150	6,737	6,737	7,135	7,549
<b>Free services</b>										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	2,587	2,656	1,537	1,457	1,457	1,457	1,546	1,546	1,632	1,727
<b>Households below minimum service level</b>										
Water:	1	1	1	1	1	1	1	1	1	1
Sanitation/sewage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	0	0	0	0	0	0	0	0	0	0

### **Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.



**Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)****KZN226 Mkhambathini - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		43,431	62,888	72,696	67,901	67,901	68,765	70,803	76,062	80,667
Executive and council		—	1,132	1,058	—	—	—	—	—	—
Finance and administration		43,431	61,756	71,638	67,901	67,901	68,765	70,803	76,062	80,667
Internal audit		—	—	—	—	—	—	—	—	—
<i><b>Community and public safety</b></i>		505	684	818	2,536	2,536	2,536	2,435	1,413	1,475
Community and social services		505	684	818	2,536	2,536	2,536	2,435	1,413	1,475
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i><b>Economic and environmental services</b></i>		3,338	19,786	21,955	4,372	4,840	4,840	5,136	5,422	5,736
Planning and development		211	223	231	449	449	449	476	503	532
Road transport		3,127	19,562	21,724	3,923	4,391	4,391	4,660	4,919	5,204
Environmental protection		—	—	—	—	—	—	—	—	—
<i><b>Trading services</b></i>		—	—	—	10,500	12,039	12,039	8,531	8,560	8,592
Energy sources		—	—	—	10,000	11,539	11,539	8,000	8,000	8,000
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	—	—	500	500	500	531	560	592
<i><b>Other</b></i>	4	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Functional</b>	2	47,274	83,359	95,470	85,309	87,316	88,180	86,904	91,456	96,471
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		13,127	46,810	33,811	38,011	40,897	40,897	43,177	45,532	47,806
Executive and council		6,069	10,700	8,894	7,802	7,802	7,802	10,126	10,717	11,338
Finance and administration		7,058	36,110	24,917	30,209	33,095	33,095	33,050	34,814	36,468
Internal audit		—	—	—	—	—	—	—	—	—
<i><b>Community and public safety</b></i>		5,766	5,865	6,423	17,860	17,860	17,860	16,220	15,848	16,670
Community and social services		5,766	5,865	6,423	17,860	17,860	17,860	16,220	15,848	16,670
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i><b>Economic and environmental services</b></i>		8,631	5,381	20,573	25,534	25,534	25,534	27,365	28,497	30,179
Planning and development		6,961	98	—	—	—	—	—	—	—
Road transport		1,670	5,283	20,573	25,534	25,534	25,534	27,365	28,497	30,179
Environmental protection		—	—	—	—	—	—	—	—	—
<i><b>Trading services</b></i>		2,119	—	—	—	—	—	—	—	—
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		2,119	—	—	—	—	—	—	—	—
<i><b>Other</b></i>	4	—	—	—	—	—	—	—	—	—
<b>Total Expenditure - Functional</b>	3	29,643	58,056	60,807	81,405	84,291	84,291	86,762	89,877	94,655
<b>Surplus/(Deficit) for the year</b>		17,631	25,302	34,662	3,903	3,024	3,889	142	1,579	1,816

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 9 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Executive & Council.

**Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

KZN226 Mkhambathini - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury Office		42,481	62,178	72,534	67,901	68,765	68,765	70,803	76,062	80,667
Vote 4 - Corporate Services		950	934	930	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	1,253	1,253	1,253	1,089	-	-
Vote 6 - Library		505	684	1,318	1,283	1,283	1,283	1,346	1,413	1,475
Vote 7 - Vehicle Registration and Testing		3,127	3,311	3,576	3,923	4,391	4,391	4,660	4,919	5,204
Vote 8 - Solid Waste		-	-	-	500	500	500	531	560	592
Vote 9 - Technical Services		211	16,251	17,115	10,449	11,988	11,988	8,476	8,503	8,532
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>47,275</b>	<b>83,359</b>	<b>95,472</b>	<b>85,309</b>	<b>88,180</b>	<b>88,180</b>	<b>86,904</b>	<b>91,456</b>	<b>96,471</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		4,919	5,930	5,279	5,994	5,994	5,994	7,144	7,564	8,003
Vote 2 - Municipal Manager		1,150	4,770	1,615	1,808	1,808	1,808	2,982	3,153	3,335
Vote 3 - Budget and Treasury Office		13,809	14,282	14,323	18,776	21,561	21,561	21,401	22,518	23,529
Vote 4 - Corporate Services		7,058	21,925	14,594	11,433	11,433	11,433	11,649	12,296	12,939
Vote 5 - Community Services		5,182	4,897	13,290	15,486	15,486	15,486	13,697	13,188	13,875
Vote 6 - Library		584	968	2,530	2,374	2,374	2,374	2,524	2,660	2,795
Vote 7 - Vehicle Registration and Testing		1,670	17	3,428	4,468	4,468	4,468	4,805	5,084	5,379
Vote 8 - Solid Waste		2,119	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		6,961	5,266	5,748	21,066	21,066	21,066	22,560	23,413	24,800
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>43,452</b>	<b>58,056</b>	<b>60,807</b>	<b>81,405</b>	<b>84,191</b>	<b>84,191</b>	<b>86,762</b>	<b>89,877</b>	<b>94,655</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>3,823</b>	<b>25,303</b>	<b>34,665</b>	<b>3,903</b>	<b>3,989</b>	<b>3,989</b>	<b>142</b>	<b>1,579</b>	<b>1,816</b>

**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity trading service.

**Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)****KZN226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue and expenditure)**

KENZCO Inkhabatshini - Table A4 Budgeted Financial Performance (Revenue and Expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>											
Property rates	2	7,038	11,573	11,826	12,663	12,663	12,663	12,663	13,435	14,182	15,005
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	500	500	500	500	531	560	592
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments		731	832	1,526	1,650	2,467	2,467	2,467	2,618	2,763	2,924
Interest earned - outstanding debtors		148	1,179	1,272	1,176	1,176	1,176	1,176	1,248	1,317	1,394
Dividends received											
Fines, penalties and forfeits		34	32	41	70	70	70	70	74	78	83
Licences and permits		3,543	3,946	3,576	3,923	4,391	4,391	4,391	4,659	4,918	5,203
Agency services			-								
Transfers and subsidies		33,306	47,283	59,997	64,525	66,111	66,111	66,111	63,487	66,738	70,319
Other revenue	2	406	410	384	803	803	803	803	851	899	951
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>45,207</b>	<b>65,255</b>	<b>78,621</b>	<b>85,310</b>	<b>88,182</b>	<b>88,182</b>	<b>88,182</b>	<b>86,903</b>	<b>91,456</b>	<b>96,471</b>
<b>Expenditure By Type</b>											
Employee related costs	2	20,388	21,411	21,594	27,056	27,056	27,056	27,056	32,247	34,149	36,130
Remuneration of councillors		4,123	4,492	4,620	5,088	5,088	5,088	5,088	5,398	5,717	6,048
Debt impairment	3	1,765	2,258	1,727	700	700	700	700	700	700	700
Depreciation & asset impairment	2	4,039	4,627	5,588	4,800	6,000	6,000	6,000	6,100	6,300	6,400
Finance charges		34	16	-	184	184	184	184	196	207	219
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		8,808	7,734	-	-	-	-	-	-	-	-
Other expenditure	4, 5	13,763	17,470	27,281	43,678	45,264	45,264	45,264	42,120	42,803	45,157
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>52,921</b>	<b>58,008</b>	<b>60,809</b>	<b>81,506</b>	<b>84,292</b>	<b>84,292</b>	<b>84,292</b>	<b>86,761</b>	<b>89,876</b>	<b>94,654</b>
<b>Surplus/(Deficit)</b>		<b>(7,714)</b>	<b>7,246</b>	<b>17,813</b>	<b>3,805</b>	<b>3,890</b>	<b>3,890</b>	<b>3,890</b>	<b>142</b>	<b>1,580</b>	<b>1,817</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		15,626	18,057	16,851	15,626	15,626	15,626	15,626	16,285	16,984	17,722
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>7,912</b>	<b>25,303</b>	<b>34,664</b>	<b>19,431</b>	<b>19,516</b>	<b>19,516</b>	<b>19,516</b>	<b>16,427</b>	<b>18,564</b>	<b>19,539</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>7,912</b>	<b>25,303</b>	<b>34,664</b>	<b>19,431</b>	<b>19,516</b>	<b>19,516</b>	<b>19,516</b>	<b>16,427</b>	<b>18,564</b>	<b>19,539</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>7,912</b>	<b>25,303</b>	<b>34,664</b>	<b>19,431</b>	<b>19,516</b>	<b>19,516</b>	<b>19,516</b>	<b>16,427</b>	<b>18,564</b>	<b>19,539</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>7,912</b>	<b>25,303</b>	<b>34,664</b>	<b>19,431</b>	<b>19,516</b>	<b>19,516</b>	<b>19,516</b>	<b>16,427</b>	<b>18,564</b>	<b>19,539</b>

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue is R86.903 million in 2017/18 and escalates to R95.046 million by 2019/20.
2. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
3. Employee related costs is the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage increases in future years.

**Table 127 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source****KZN226 Mkhambathini - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding**

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury Office		1,328	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Library		-	-	-	-	-	-	-	-	-	-
Vote 7 - Vehicle Registration and Testing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Solid Waste		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		2,172	19,140	-	-	-	-	-	-	-	-
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>3,500</b>	<b>19,140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Executive and Council		-	60	200	1,200	500	500	500	500	-	-
Vote 2 - Municipal Manager		-	-	-	140	140	140	140	70	70	70
Vote 3 - Budget and Treasury Office		-	-	-	140	140	140	140	490	490	490
Vote 4 - Corporate Services		-	-	1,250	140	140	140	140	-	-	-
Vote 5 - Community Services		-	600	-	140	140	140	140	16,355	8,498	70
Vote 6 - Library		-	-	-	-	-	-	-	-	-	-
Vote 7 - Vehicle Registration and Testing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Solid Waste		-	-	-	100	-	-	-	2,000	-	-
Vote 9 - Technical Services		14,427	12,055	17,851	17,566	19,337	19,337	19,337	3,570	8,626	17,792
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>14,427</b>	<b>12,715</b>	<b>19,301</b>	<b>19,426</b>	<b>20,397</b>	<b>20,397</b>	<b>20,397</b>	<b>22,985</b>	<b>17,684</b>	<b>18,422</b>
<b>Total Capital Expenditure - Vote</b>		<b>17,927</b>	<b>31,855</b>	<b>19,301</b>	<b>19,426</b>	<b>20,397</b>	<b>20,397</b>	<b>20,397</b>	<b>22,985</b>	<b>17,684</b>	<b>18,422</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>1,500</b>	<b>35</b>	<b>1,450</b>	<b>1,620</b>	<b>780</b>	<b>780</b>	<b>780</b>	<b>1,060</b>	<b>560</b>	<b>560</b>
Executive and council		-	35	200	1,340	500	500	500	570	70	70
Finance and administration		1,500	-	-	280	280	280	280	490	490	490
Internal audit		-	-	1,250	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>-</b>	<b>630</b>	<b>-</b>	<b>240</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>16,355</b>	<b>8,498</b>	<b>70</b>
Community and social services		-	630	-	240	140	140	140	16,355	8,498	70
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>16,427</b>	<b>12,139</b>	<b>17,851</b>	<b>17,566</b>	<b>19,477</b>	<b>19,477</b>	<b>19,477</b>	<b>3,570</b>	<b>8,626</b>	<b>17,792</b>
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		16,427	12,139	17,851	17,566	19,477	19,477	19,477	3,570	8,626	17,792
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>-</b>
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	2,000	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>17,927</b>	<b>12,804</b>	<b>19,301</b>	<b>19,426</b>	<b>20,397</b>	<b>20,397</b>	<b>20,397</b>	<b>22,985</b>	<b>17,684</b>	<b>18,422</b>
<b>Funded by:</b>											
National Government		14,427	12,139	16,851	15,626	15,626	15,626	15,626	16,285	16,984	17,722
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>14,427</b>	<b>12,139</b>	<b>16,851</b>	<b>15,626</b>	<b>15,626</b>	<b>15,626</b>	<b>15,626</b>	<b>16,285</b>	<b>16,984</b>	<b>17,722</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>3,500</b>	<b>665</b>	<b>2,450</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>6,700</b>	<b>700</b>	<b>700</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>17,927</b>	<b>12,804</b>	<b>19,301</b>	<b>19,126</b>	<b>19,126</b>	<b>19,126</b>	<b>19,126</b>	<b>22,985</b>	<b>17,684</b>	<b>18,422</b>

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.



**Table 138 MBRR Table A6 - Budgeted Financial Position**

KZN226 Mkhambathini - Table A6 Budgeted Financial Position

KENZ26 Mkhambathini - Table A6 Budgeted Financial Position											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Current assets											
Cash	1	518	316	533	7,000	1,500	1,500	1,500	2,000	2,000	2,000
Call investment deposits		17,745	5,256	14,080	10,000	20,000	20,000	20,000	12,000	12,000	12,000
Consumer debtors		2,895	3,456	7,312	3,500	9,378	9,378	9,378	6,410	4,350	3,350
Other debtors		2,603	1,455	3,423							
Current portion of long-term receivables	2										
Inventory											
Total current assets		23,762	10,482	25,348	20,500	30,878	30,878	30,878	20,410	18,350	17,350
Non current assets											
Long-term receivables	3										
Investments											
Investment property		1,158	1,431	5,252	1,158	5,251	5,251	5,251	5,251	5,251	5,251
Investment in Associate											
Property , plant and equipment		64,318	79,604	94,487	107,948	107,948	107,948	109,088	128,214	141,276	154,750
Agricultural											
Biological											
Intangible		96	72	48							
Other non-current assets											
Total non current assets		65,572	81,107	99,787	109,106	113,199	113,199	114,339	133,465	146,527	160,001
TOTAL ASSETS		89,334	91,589	125,135	129,606	144,077	144,077	145,217	153,875	164,877	177,351
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits	4										
Trade and other payables		13,530	7,062	11,476	7,000	7,000	7,000	7,000	6,000	6,000	6,000
Provisions		1,196	1,625	1,683	1,791	1,791	1,791	1,791	1,800	2,000	2,000
Total current liabilities		14,726	8,687	13,158	8,791	8,791	8,791	8,791	7,800	8,000	8,000
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		1,329	1,865	2,200	2,400	2,400	2,400	2,400	2,600	2,800	3,000
Total non current liabilities		1,329	1,865	2,200	2,400	2,400	2,400	2,400	2,600	2,800	3,000
TOTAL LIABILITIES		16,055	10,552	15,358	11,191	11,191	11,191	11,191	10,400	10,800	11,000
NET ASSETS	5	73,279	81,037	109,777	118,415	132,885	132,885	134,026	143,475	154,077	166,351
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	4	58,949	67,364	96,952	107,415	121,885	121,885	122,047	132,343	143,791	156,912
Reserves		14,330	13,673	12,826	11,000	11,000	11,000	11,979	11,132	10,286	9,439
TOTAL COMMUNITY WEALTH/EQUITY	5	73,279	81,037	109,777	118,415	132,885	132,885	134,026	143,475	154,077	166,351

**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt.

**Table 19 MBRR Table A7 - Budgeted Cash Flow Statement****KZN226 Mkhambathini - Table A7 Budgeted Cash Flows**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		9,798	10,169	8,566	12,454	12,454	12,454	12,454	13,435	14,182	15,005
Service charges				–	500	500	500	500	531	560	592
Other revenue				6,761	4,796	4,796	4,796	4,796	5,585	5,895	6,237
Government - operating	1	28,178	49,524	60,106	64,525	64,525	64,525	64,525	63,487	66,738	70,319
Government - capital	1	14,427	16,251	16,851	15,626	15,626	15,626	15,626	16,427	18,564	19,539
Interest		913	1,972	2,353	2,826	2,826	2,826	2,826	3,866	4,080	4,317
Dividends									–	–	–
<b>Payments</b>											
Suppliers and employees		(46,823)	(47,881)	(52,938)	(75,821)	(75,821)	(75,821)	(75,821)	(79,765)	(82,669)	(87,335)
Finance charges		(117)	–	(140)	(184)	(184)	(184)	(184)	(196)	(207)	(219)
Transfers and Grants	1		–						–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>6,376</b>	<b>30,035</b>	<b>41,559</b>	<b>24,722</b>	<b>24,722</b>	<b>24,722</b>	<b>24,722</b>	<b>23,370</b>	<b>27,144</b>	<b>28,456</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			5	37					–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
<b>Payments</b>											
Capital assets		(19,069)	(20,997)	(18,949)	(19,426)	(19,426)	(19,426)	(19,426)	(22,985)	(22,985)	(22,985)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(19,069)</b>	<b>(20,992)</b>	<b>(18,912)</b>	<b>(19,426)</b>	<b>(19,426)</b>	<b>(19,426)</b>	<b>(19,426)</b>	<b>(22,985)</b>	<b>(22,985)</b>	<b>(22,985)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
<b>Payments</b>											
Repayment of borrowing									–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(12,692)</b>	<b>9,042</b>	<b>22,647</b>	<b>5,296</b>	<b>5,296</b>	<b>5,296</b>	<b>5,296</b>	<b>385</b>	<b>4,159</b>	<b>5,471</b>
Cash/cash equivalents at the year begin:	2	<b>18,264</b>	<b>5,571</b>	<b>14,613</b>					<b>37,260</b>	<b>37,645</b>	<b>41,804</b>
Cash/cash equivalents at the year end:	2	<b>5,571</b>	<b>14,613</b>	<b>37,260</b>	<b>5,296</b>	<b>5,296</b>	<b>5,296</b>	<b>5,296</b>	<b>37,645</b>	<b>41,804</b>	<b>47,275</b>

**Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation****KZN226 Mkhambathini - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	5,571	14,613	37,260	5,296	5,296	5,296	5,296	37,645	41,804	47,275
Other current investments > 90 days		0	0	0	8,704	8,704	8,704	8,704	(12,382)	(8,662)	(5,275)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>5,571</b>	<b>14,614</b>	<b>37,260</b>	<b>14,000</b>	<b>14,000</b>	<b>14,000</b>	<b>14,000</b>	<b>25,263</b>	<b>33,142</b>	<b>42,000</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		–	4,055	3,171	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	239	239	387	387	387	387	387	400	400	400
Other working capital requirements	3	2,755	886	(1,829)	54	196	196	196	(3,785)	(2,845)	(1,905)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>2,994</b>	<b>5,181</b>	<b>1,728</b>	<b>441</b>	<b>583</b>	<b>583</b>	<b>583</b>	<b>(3,385)</b>	<b>(2,445)</b>	<b>(1,505)</b>
<b>Surplus(shortfall)</b>		<b>2,577</b>	<b>9,433</b>	<b>35,532</b>	<b>13,559</b>	<b>13,417</b>	<b>13,417</b>	<b>13,417</b>	<b>28,648</b>	<b>35,587</b>	<b>43,505</b>

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

**Table 141 MBRR Table A9 - Asset Management****KZN226 Mkhambathini - Table A9 Asset Management**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	9,921	18,461	16,401	19,126	19,126	19,126	22,985	17,684	18,422
Roads Infrastructure		6,201	5,000	14,351	15,626	15,626	15,626	3,500	8,556	17,722
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>6,201</b>	<b>5,000</b>	<b>14,351</b>	<b>15,626</b>	<b>15,626</b>	<b>15,626</b>	<b>3,500</b>	<b>8,556</b>	<b>17,722</b>
Community Facilities		-	5,251	-	-	-	-	16,285	8,428	-
Sport and Recreation Facilities		-	6,000	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>11,251</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,285</b>	<b>8,428</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		3,720	760	-	800	800	800	500	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>3,720</b>	<b>760</b>	<b>-</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>500</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	850	350	350	350	350	350	350
Furniture and Office Equipment		-	-	200	350	350	350	350	350	350
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	1,450	1,000	2,000	2,000	2,000	2,000	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	700	700	700	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	-	700	700	700	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

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<b>Total Upgrading of Existing Assets</b>	6	-	-	-	-	-	-	-	-	
Roads Infrastructure		-	-	-	-	-	-	-	-	
Storm water Infrastructure		-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	
Community Facilities		-	-	-	-	-	-	-	-	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	
<b>Community Assets</b>		-	-	-	-	-	-	-	-	
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	
<b>Investment properties</b>		-	-	-	-	-	-	-	-	
Operational Buildings		-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	
<b>Other Assets</b>		-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-		
<b>Transport Assets</b>	-	-	-	-	-	-	-	-		
<b>Libraries</b>	-	-	-	-	-	-	-	-		
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-		
<b>Total Capital Expenditure</b>	4	6,201	5,000	14,351	15,626	15,626	15,626	3,500	8,556	17,722
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		6,201	5,000	14,351	15,626	15,626	15,626	3,500	8,556	17,722
Community Facilities		-	5,251	-	-	-	-	16,285	8,428	-
Sport and Recreation Facilities		-	6,000	-	-	-	-	-	-	-
<b>Community Assets</b>		-	11,251	-	-	-	-	16,285	8,428	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		3,720	760	-	1,500	1,500	1,500	500	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		3,720	760	-	1,500	1,500	1,500	500	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	850	350	350	350	350	350	350
<b>Furniture and Office Equipment</b>	-	-	200	350	350	350	350	350	350	
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-	
<b>Transport Assets</b>	-	1,450	1,000	2,000	2,000	2,000	2,000	-	-	
<b>Libraries</b>	-	-	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		9,921	18,461	16,401	19,826	19,826	19,826	22,985	17,684	18,422

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<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Roads Infrastructure			7,242	14,351	15,626	15,626	15,626	3,500	8,556	17,722
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
<b>Infrastructure</b>		-	7,242	14,351	15,626	15,626	15,626	3,500	8,556	17,722
Community Facilities			12,751	4,900				16,285	8,428	
Sport and Recreation Facilities			11,380							
<b>Community Assets</b>		-	24,131	4,900	-	-	-	16,285	8,428	-
<b>Heritage Assets</b>										
Revenue Generating										
Non-revenue Generating										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		1,431	5,252	5,251	5,251	5,251	5,251			
Housing										
<b>Other Assets</b>		1,431	5,252	5,251	5,251	5,251	5,251	-	-	-
<b>Biological or Cultivated Assets</b>										
Servitudes										
Licences and Rights										
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		72	48	-				350	350	350
Furniture and Office Equipment								350	350	350
Machinery and Equipment								500		
Transport Assets								2,000		
Libraries										
Zoo's, Marine and Non-biological Animals										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	1,503	36,673	24,502	20,877	20,877	20,877	22,985	17,684	18,422
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation</b>	7	2,046	4,418	4,700	4,800	4,800	4,800	6,100	6,460	6,835
<b>Repairs and Maintenance by Asset Class</b>	3	1,399	3,280	5,850	6,150	6,150	6,150	6,737	7,135	7,549
Roads Infrastructure		1,060	150	2,000	2,600	2,600	2,600	2,759	2,921	3,091
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		1,060	150	2,000	2,600	2,600	2,600	2,759	2,921	3,091
Community Facilities		-	2,560	1,500	1,400	1,400	1,400	2,122	2,247	2,378
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	2,560	1,500	1,400	1,400	1,400	2,122	2,247	2,378
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		318	320	1,600	1,400	1,400	1,400	743	787	832
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		318	320	1,600	1,400	1,400	1,400	743	787	832
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	159	169	178
Furniture and Office Equipment		-	-	150	150	150	150	-	-	-
Machinery and Equipment		21	100	-	-	-	-	318	337	357
Transport Assets		-	150	600	600	600	600	637	674	713
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		3,445	7,698	10,550	10,950	10,950	10,950	12,837	13,595	14,384

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

## KZ226 Mkhambathini - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		2,742	3,071	3,132	3,195	3,195	3,195	3,195	3,195	3,195
Piped water inside yard (but not in dwelling)		8,944	9,838	10,035	10,235	10,235	10,235	10,235	10,235	10,235
Using public tap (at least min.service level)	2	1,472	1,576	1,608	1,640	1,640	1,640	1,640	1,640	1,640
Other water supply (at least min.service level)	4	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		13,158	14,485	14,775	15,070	15,070	15,070	15,070	15,070	15,070
Using public tap (< min.service level)	3	340	204	208	212	212	212	212	212	212
Other water supply (< min.service level)	4	—	—	—	—	—	—	—	—	—
No water supply		544	299	305	311	311	311	311	311	311
<i>Below Minimum Service Level sub-total</i>		884	503	513	523	523	523	523	523	523
<b>Total number of households</b>	5	14,042	14,988	15,288	15,594	15,594	15,594	15,594	15,594	15,594
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		1,684	1,785	1,821	1,857	1,857	1,857	1,857	1,857	1,857
Flush toilet (with septic tank)		1,688	1,789	1,825	1,861	1,861	1,861	1,861	1,861	1,861
Chemical toilet		503	533	544	555	555	555	555	555	555
Pit toilet (ventilated)		8,138	8,627	8,800	8,976	8,976	8,976	8,976	8,976	8,976
Other toilet provisions (> min.service level)		45	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		12,058	12,734	12,989	13,248	13,248	13,248	13,248	13,248	13,248
Bucket toilet		—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—
No toilet provisions		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	12,058	12,734	12,989	13,248	13,248	13,248	13,248	13,248	13,248
<b>Energy:</b>										
Electricity (at least min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		—	—	—	—	—	—	—	—	—
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	—	—	—	—	—	—	—	—	—
<b>Refuse:</b>										
Removed at least once a week		480	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		480	—	—	—	—	—	—	—	—
Removed less frequently than once a week		52	52	52	52	52	52	52	52	52
Using communal refuse dump		—	—	—	—	—	—	—	—	—
Using own refuse dump		—	—	—	—	—	—	—	—	—
Other rubbish disposal		—	—	—	—	—	—	—	—	—
No rubbish disposal		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		52	52	52	52	52	52	52	52	52
<b>Total number of households</b>	5	532	52	52	52	52	52	52	52	52
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		—	—	—	—	—	—	—	—	—
Sanitation (free minimum level service)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)		—	—	—	—	—	—	—	—	—
Refuse (removed at least once a week)		—	—	—	—	—	—	—	—	—
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		—	—	—	—	—	—	—	—	—
Sanitation (free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per indigent household per month)		—	—	—	—	—	—	—	—	—
Refuse (removed once a week for indigent households)		—	—	—	—	—	—	—	—	—
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		—	—	—	—	—	—	—	—	—
<b>Total cost of FBS provided</b>		—	—	—	—	—	—	—	—	—
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		1,137	1,205	—	—	—	—	—	—	—
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		1,450	1,450	1,537	1,457	1,457	1,457	1,546	1,632	1,727
Water (in excess of 6 kilolitres per indigent household per month)		—	—	—	—	—	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household per month)		—	—	—	—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent households)		—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of subsidised services provided</b>	6	2,587	2,656	1,537	1,457	1,457	1,457	1,546	1,632	1,727



**Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act. Exco acts as the Budget Steering Committee.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### **2.1.1 Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2016) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2016. Key dates applicable to the process were noted and used in the compilation of the IDP and Budget process.

#### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2016/17 MTREF, based on the approved 2017/18 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2017/18 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2017/18 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2016/17 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 78 have been taken into consideration in the planning and prioritisation process.

### **2.1.4 Community Consultation**

The draft 2017/18 MTREF as tabled before Council on 28 March 2017 for community consultation was published on the municipality's website, and hard copies were made available at municipal offices, municipal notice boards and libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees will be utilised to facilitate the community consultation process starting in April 2017. The date of this meeting will be advertised in the local media. The following notice will be published in the local media:

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## **2.2 Overview of alignment of annual budget with IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between

national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 15 IDP Strategic Objectives**

2017/18 Financial Year	2017/18 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to MKHAMBATHINI principles through a caring, accessible and accountable service	4. Foster participatory democracy and Mk principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development,

economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
  - Provide electricity;
  - Provide waste removal;
  - Provide housing;
  - Provide roads and storm water;
  - Provide Municipality planning services; and
  - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
  - Ensuring there is a clear structural plan for the Municipality;
  - Ensuring planning processes function in accordance with set timeframes;
  - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
  - Effective implementation of the Indigent Policy;
  - Working with the provincial department of health to provide primary health care services;
  - Extending waste removal services and ensuring effective Municipality cleansing;
  - Ensuring all waste water treatment works are operating optimally;
  - Working with strategic partners such as SAPS to address crime;
  - Ensuring safe working environments by effective enforcement of building and health regulations;
  - Promote viable, sustainable communities through proper zoning; and
  - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
  - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and MKHAMBATHINI principles through a caring, accessible and accountable service by:
  - Optimising effective community participation in the ward committee system; and
  - Implementing MKHAMBATHINI in the revenue management strategy.
- 5.1 Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the 2016/17 revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;

- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

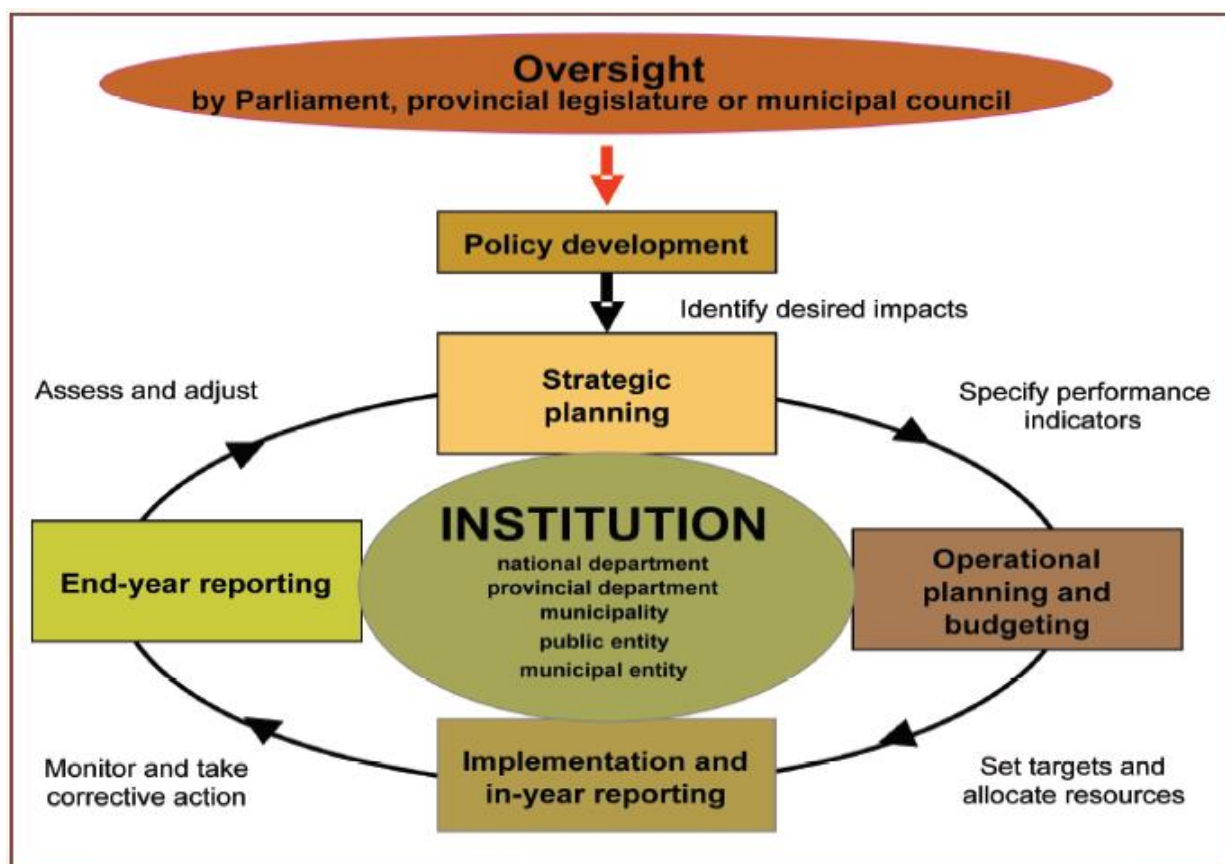
The 2015/16 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

### **2.3 Measurable performance objectives and indicators**

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



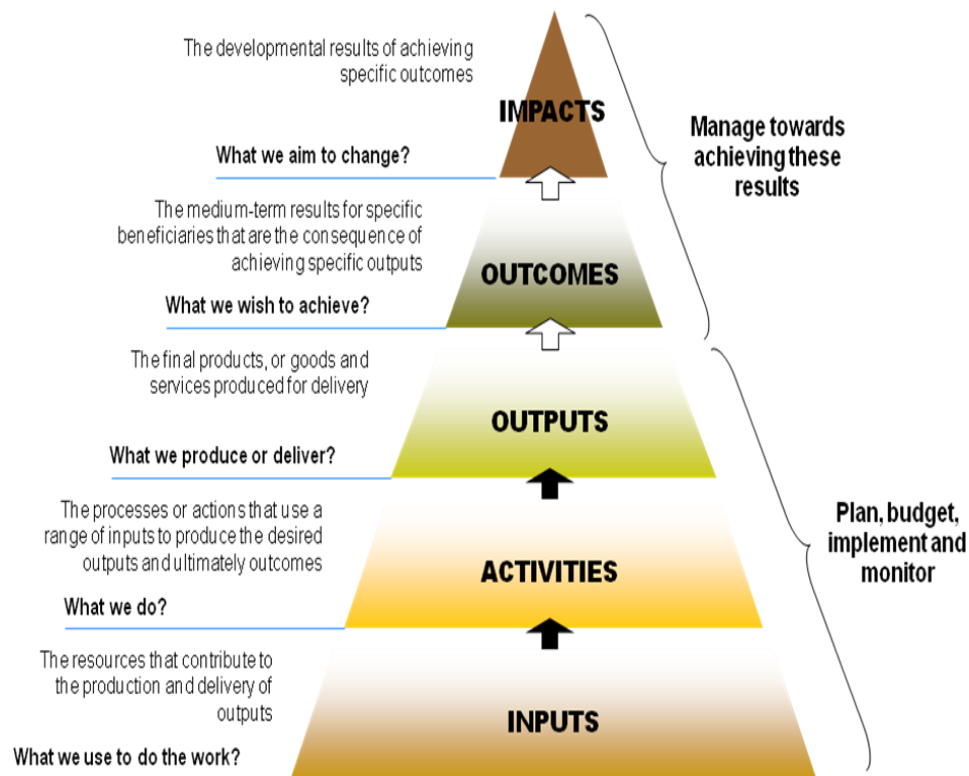


**Figure 1 Planning, budgeting and reporting cycle**

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:



**Figure 2 Definition of performance information concepts**

**Table 165 MBRR Table SA8 - Performance indicators and benchmarks**

KZN226 Mkhambathini - Supporting Table SA8 Performance indicators and benchmarks

KZN226 Mkhambathini - Supporting Table 3A8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.1%	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.3%	0.1%	0.0%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	1.2	2.0	4.0	2.6	2.6	2.6	2.6	4.5	5.2	6.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.2	2.0	(6.1)	2.6	2.6	2.6	2.6	4.5	5.2	6.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	1.1	3.1	1.8	1.8	1.8	1.8	3.2	4.0	5.0
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		139.2%	87.9%	72.4%	98.4%	98.4%	98.4%	98.4%	100.0%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		139.2%	87.9%	72.4%	98.4%	98.4%	98.4%	98.4%	100.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.9%	15.8%	12.2%	7.5%	7.3%	7.3%	7.3%	12.0%	10.3%	8.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		126.8%	48.0%	18.1%	113.3%	113.3%	113.3%	113.3%	15.9%	14.4%	12.7%
<b><u>Other Indicators</u></b>											
	Total Volume Losses (kW)										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	45.1%	32.8%	27.5%	31.7%	30.7%	30.7%	30.7%	37.1%	37.3%	37.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	55.6%	43.1%	38.9%	37.7%	36.5%	36.5%		42.0%	42.2%	42.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.1%	5.0%	7.4%	7.2%	7.0%	7.0%		7.8%	7.8%	7.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.0%	7.1%	7.1%	5.8%	7.0%	7.0%	7.0%	7.2%	7.1%	6.9%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	6.0	7.6	6.6	7.4	7.4	7.4	5.7	5.7	5.7	6.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	69.8%	89.2%	80.8%	48.7%	48.7%	48.7%	48.7%	74.5%	63.8%	53.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.1	5.0	11.5	1.3	1.2	1.2	1.2	8.2	8.7	9.3

**2.3.1 Performance indicators and benchmarks****2.3.1.1 Borrowing Management**

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely

dependent on its creditworthiness and financial position. The following financial performance indicators have formed part of the compilation of the 2016/17 MTREF:

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is nil per cent.

#### 2.3.1.2 Safety of Capital

#### 2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2016/17 MTREF the current ratio is 2.6 in the 2017/18 financial year and 4.5 and 5,2 for the two outer years of the MTREF. These are only estimates at this stage
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

#### 2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework is going to be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. For this purpose and exercise with Trans Union has commenced.

#### 2.3.1.5 Creditors Management

- The Municipality managed to ensure that creditors are settled within the legislated 30 days of invoice.

## 2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The following budget-related policies have been approved by Council, or have been reviewed or amended and/or are currently being reviewed/amended in line with National Guidelines and other legislation. The policies are opened for inspection and comment and the final copies will be tabled when the budget is adopted in May 2017.

- 2.4.1 Budget Policy
- 2.4.2 Supply Chain Management Policy
- 2.4.3. Rates Policy
- 2.4.4 Tariff Policy
- 2.4.5 Credit Control & Debt Collection Policy
- 2.4.6 Subsistence & Travel Policy
- 2.4.7 Leave Policy
- 2.4.8 Virement Policy
- 2.4.9 Cash Management and Investment Policy
- 2.4.10 Overtime Policy
- 2.4.11 Budget policy
- 2.4.12 Banking Policy

## 2.5 Councillor and employee benefits

**Table 26 MBRR SA22 - Summary of councillor and staff benefits**

KZN226 Mkhambathini - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		4,101	4,122	4,800	5,088	5,088	5,088	5,398	5,717	6,048
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
<b>Sub Total - Councillors</b>		4,101	4,122	4,800	5,088	5,088	5,088	5,398	5,717	6,048
<b>% increase</b>	4		0.5%	16.5%	6.0%	-	-	6.1%	5.9%	5.8%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		3,976	4,892	4,256	4,165	4,165	4,165	5,273	5,530	5,797
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance	3			42	50	50	50	50	50	50
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Municipality</b>		3,976	4,892	4,298	4,215	4,215	4,215	5,323	5,580	5,847
<b>% increase</b>	4		23.0%	(12.1%)	(1.9%)	-	-	26.3%	4.8%	4.8%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		11,850	12,250	15,780	15,021	15,021	15,021	18,371	19,455	20,583
Pension and UIF Contributions		1,660	3,455	2,223	3,522	3,522	3,522	3,771	3,994	4,225
Medical Aid Contributions		626	620	833	1,522	1,522	1,522	178	188	199
Overtime		757	710	855	1,060	1,060	1,060	1,124	1,190	1,259
Performance Bonus		1,390	917	828	1,544	1,544	1,544	2,030	2,149	2,274
Motor Vehicle Allowance	3	91	359	318	-	0	0	-	-	-
Cellphone Allowance	3	15	60	52	66	66	66	69	73	77
Housing Allowances	3	33	42	52	97	97	97	251	266	281
Other benefits and allowances	3	109	268	90	8	8	8	7	7	7
Payments in lieu of leave		509	411	423				-	-	-
Long service awards								-	-	-
Post-retirement benefit obligations	6									
<b>Sub Total - Other Municipal Staff</b>		17,039	19,092	21,454	22,840	22,840	22,840	25,800	27,322	28,907
<b>% increase</b>	4		12.0%	12.4%	6.5%	0.0%	0.0%	13.0%	5.9%	5.8%
<b>Total Parent Municipality</b>		25,116	28,105	30,552	32,144	32,144	32,144	36,521	38,619	40,802
			11.9%	8.7%	5.2%	0.0%	0.0%	13.6%	5.7%	5.7%

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<b>Board Members of Entities</b>									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance	3								
Cellphone Allowance	3								
Housing Allowances	3								
Other benefits and allowances	3								
Board Fees									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations	6								
<b>Sub Total - Board Members of Entities</b>	4	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance	3								
Cellphone Allowance	3								
Housing Allowances	3								
Other benefits and allowances	3								
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations	6								
<b>Sub Total - Senior Managers of Entities</b>	4	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-
<b>Other Staff of Entities</b>									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance	3								
Cellphone Allowance	3								
Housing Allowances	3								
Other benefits and allowances	3								
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations	6								
<b>Sub Total - Other Staff of Entities</b>	4	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		25,116	28,105	30,552	32,144	32,144	32,144	36,521	40,802
<b>% increase</b>	4		11.9%	8.7%	5.2%	0.0%	0.0%	13.6%	5.7%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	21,015	23,984	25,752	27,056	27,056	27,056	31,123	34,754

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b><u>Councillors</u></b>	3							
Speaker	4		567,812		26,400			594,212
Chief Whip								–
Executive Mayor			709,765		26,400			736,165
Deputy Executive Mayor			567,812		26,400			594,212
Executive Committee			294,166		26,400			320,566
Total for all other councillors			2,288,001		264,000			2,552,001
<b>Total Councillors</b>	8	–	<b>4,427,556</b>	–	<b>369,600</b>			<b>4,797,156</b>
<b><u>Senior Managers of the Municipality</u></b>	5							
Municipal Manager (MM)			1,094,603		12,000	120,000		1,226,603
Chief Finance Officer			919,873		9,600	100,000		1,029,473
Manager Corporate Services			919,873		9,600	100,000		1,029,473
Manager Community Services			919,873		9,600	100,000		1,029,473
Manger Technical Services			919,873		9,600	100,000		1,029,473
<i>List of each official with packages &gt;= senior manager</i>								–
								–
								–
								–
								–
								–
								–
								–
								–
<b>Total Senior Managers of the Municipality</b>	8,10	–	<b>4,774,096</b>	–	<b>50,400</b>	<b>520,000</b>		<b>5,344,496</b>
<b><u>A Heading for Each Entity</u></b>	6,7							
List each member of board by designation								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
<b>Total for municipal entities</b>	8,10	–	–	–	–	–		–
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	–	<b>9,201,652</b>	–	<b>420,000</b>	<b>520,000</b>		<b>10,141,652</b>



**Table 28 MBRR SA24 – Summary of personnel numbers**

KZN226 Mkhambathini - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)	4	14	3	11	14	3	11	14	3	11
Board Members of municipal entities	5									
<b>Municipal employees</b>										
Municipal Manager and Senior Managers	3	5	–	5	5	–	5	3	–	3
Other Managers	7									
Professionals		44	39	17	44	39	17	25	25	–
Finance			6	7		6	7	5	5	–
Spatial/town planning								1	1	–
Information Technology		1	–	1	1	–	1	1	1	–
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other		43	33	9	43	33	9	18	18	–
Technicians		–	–	–	–	–	–	–	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)		36	36	–	36	36	–	21	11	10
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations								36	36	–
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>99</b>	<b>78</b>	<b>33</b>	<b>99</b>	<b>78</b>	<b>33</b>	<b>99</b>	<b>75</b>	<b>24</b>
<b>% increase</b>					–	–	–	–	(3.8%)	(27.3%)
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

**Monthly targets for revenue, expenditure and cash flow**  
**Table 29 MBRR SA25 - Budgeted monthly revenue and expenditure**

MKHAMBATHINI Municipality 2017/18 Draft Annual Budget and MTREF

KZN226 Mkhambathini - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>																
Property rates		1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	13,435	14,182	15,005
Service charges - electricity revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - water revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue		44	44	44	44	44	44	44	44	44	44	44	44	531	560	592
Service charges - other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest earned - external investments		218	218	218	218	218	218	218	218	218	218	218	218	2,618	2,763	2,924
Interest earned - outstanding debtors		104	104	104	104	104	104	104	104	104	104	104	104	1,248	1,317	1,394
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		6	6	6	6	6	6	6	6	6	6	6	6	74	78	83
Licences and permits		388	388	388	388	388	388	388	388	388	388	388	388	4,659	4,918	5,203
Agency services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies		5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	63,487	66,738	70,319
Other revenue		71	71	71	71	71	71	71	71	71	71	71	71	851	899	951
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		7,242	7,242	7,242	7,242	7,242	7,242	7,242	7,242	7,242	7,242	7,242	7,242	86,903	91,456	96,471
<b>Expenditure By Type</b>																
Employee related costs		2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	32,247	34,149	36,130
Remuneration of councillors		450	450	450	450	450	450	450	450	450	450	450	450	5,398	5,717	6,048
Debt impairment		58	58	58	58	58	58	58	58	58	58	58	58	700	700	700
Depreciation & asset impairment		508	508	508	508	508	508	508	508	508	508	508	508	6,100	6,300	6,400
Finance charges		16	16	16	16	16	16	16	16	16	16	16	16	196	207	219
Bulk purchases		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contracted services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenditure		3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	42,120	42,803	45,157
Loss on disposal of PPE		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure		7,230	7,230	7,230	7,230	7,230	7,230	7,230	7,230	7,230	7,230	7,230	7,230	86,761	89,876	94,654
<b>Surplus/(Deficit)</b>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	16,285	16,984	17,722
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	16,427	18,564	19,539
Taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	16,427	18,564	19,539

**Table 30 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

KZN226 Mkhambathini - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - Executive and Council													-	-	-	-
Vote 2 - Municipal Manager													-	-	-	-
Vote 3 - Budget and Treasury Office		5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	70,803	76,062	80,667
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		91	91	91	91	91	91	91	91	91	91	91	91	1,089	-	-
Vote 6 - Library		112	112	112	112	112	112	112	112	112	112	112	112	1,346	1,413	1,475
Vote 7 - Vehicle Registration and Testing		388	388	388	388	388	388	388	388	388	388	388	388	4,660	4,919	5,204
Vote 8 - Solid Waste		44	44	44	44	44	44	44	44	44	44	44	44	531	560	592
Vote 9 - Technical Services		706	706	706	706	706	706	706	706	706	706	706	706	8,476	8,503	8,532
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>86,904</b>	<b>91,456</b>	<b>96,471</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Executive and Council		595	595	595	595	595	595	595	595	595	595	595	595	7,144	7,564	8,003
Vote 2 - Municipal Manager		249	249	249	249	249	249	249	249	249	249	249	249	2,982	3,153	3,335
Vote 3 - Budget and Treasury Office		1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	21,401	22,518	23,529
Vote 4 - Corporate Services		971	971	971	971	971	971	971	971	971	971	971	971	11,649	12,296	12,939
Vote 5 - Community Services		1,141	1,141	1,141	1,141	1,141	1,141	1,141	1,141	1,141	1,141	1,141	1,141	13,697	13,188	13,875
Vote 6 - Library		210	210	210	210	210	210	210	210	210	210	210	210	2,524	2,660	2,795
Vote 7 - Vehicle Registration and Testing		400	400	400	400	400	400	400	400	400	400	400	400	4,805	5,084	5,379
Vote 8 - Solid Waste		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	22,560	23,413	24,800
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>86,762</b>	<b>89,877</b>	<b>94,655</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>142</b>	<b>1,579</b>	<b>1,816</b>
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>142</b>	<b>1,579</b>	<b>1,816</b>



**Table 31 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

KZN226 Mkhambathini - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue - Functional</b>																
<b>Governance and administration</b>		5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	70,803	76,062	80,667
Executive and council		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Finance and administration		5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	70,803	76,062	80,667
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		203	203	203	203	203	203	203	203	203	203	203	203	2,435	1,413	1,475
Community and social services		203	203	203	203	203	203	203	203	203	203	203	203	2,435	1,413	1,475
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		—	—	—	—	—	—	—	—	—	—	—	5,136	5,136	5,422	5,736
Planning and development		—	—	—	—	—	—	—	—	—	—	—	476	476	503	532
Road transport		—	—	—	—	—	—	—	—	—	—	—	4,660	4,660	4,919	5,204
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Trading services</b>		711	711	711	711	711	711	711	711	711	711	711	711	8,531	8,560	8,592
Energy sources		667	667	667	667	667	667	667	667	667	667	667	667	8,000	8,000	8,000
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		44	44	44	44	44	44	44	44	44	44	44	44	531	560	592
<b>Other</b>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Functional</b>		<b>6,814</b>	<b>6,814</b>	<b>6,814</b>	<b>6,814</b>	<b>6,814</b>	<b>6,814</b>	<b>6,814</b>	<b>6,814</b>	<b>6,814</b>	<b>6,814</b>	<b>6,814</b>	<b>11,950</b>	<b>86,904</b>	<b>91,456</b>	<b>96,471</b>
<b>Expenditure - Functional</b>																
<b>Governance and administration</b>		3,598	3,598	3,598	3,598	3,598	3,598	3,598	3,598	3,598	3,598	3,598	3,598	43,177	45,532	47,806
Executive and council		844	844	844	844	844	844	844	844	844	844	844	844	10,126	10,717	11,338
Finance and administration		2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,754	33,050	34,814	36,468
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	16,220	15,848	16,670
Community and social services		1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	16,220	15,848	16,670
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	27,365	28,497	30,179
Planning and development		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Road transport		2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	27,365	28,497	30,179
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Trading services</b>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Energy sources		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Other</b>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure - Functional</b>		<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>7,230</b>	<b>86,762</b>	<b>89,877</b>	<b>94,655</b>
<b>Surplus/(Deficit) before assoc.</b>		(416)	(416)	(416)	(416)	(416)	(416)	(416)	(416)	(416)	(416)	(416)	4,720	142	1,579	1,816
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>4,720</b>	<b>142</b>	<b>1,579</b>	<b>1,816</b>

**Table 32 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

KZN226 Mkhambathini - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Executive and Council													-	-	-	-
Vote 2 - Municipal Manager													-	-	-	-
Vote 3 - Budget and Treasury Office													-	-	-	-
Vote 4 - Corporate Services													-	-	-	-
Vote 5 - Community Services													-	-	-	-
Vote 6 - Library													-	-	-	-
Vote 7 - Vehicle Registration and Testing													-	-	-	-
Vote 8 - Solid Waste													-	-	-	-
Vote 9 - Technical Services													-	-	-	-
Vote 10 - Technical Services													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Executive and Council		42	42	42	42	42	42	42	42	42	42	42	42	500	-	-
Vote 2 - Municipal Manager		6	6	6	6	6	6	6	6	6	6	6	6	70	70	70
Vote 3 - Budget and Treasury Office		41	41	41	41	41	41	41	41	41	41	41	41	490	490	490
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	16,355	8,498	70
Vote 6 - Library		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Vehicle Registration and Testing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Solid Waste		167	167	167	167	167	167	167	167	167	167	167	167	2,000	-	-
Vote 9 - Technical Services		298	298	298	298	298	298	298	298	298	298	298	298	3,570	8,626	17,792
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	22,985	17,684	18,422
<b>Total Capital Expenditure</b>	2	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	22,985	17,684	18,422

**Table 33 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

KZN226 Mkhambathini - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Capital Expenditure - Functional</b>	1															
<i>Governance and administration</i>		88	88	88	88	88	88	88	88	88	88	88	88	1,060	560	560
Executive and council		48	48	48	48	48	48	48	48	48	48	48	48	570	70	70
Finance and administration		41	41	41	41	41	41	41	41	41	41	41	41	490	490	490
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	16,355	8,498	70
Community and social services		1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	1,363	16,355	8,498	70
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		298	298	298	298	298	298	298	298	298	298	298	298	3,570	8,626	17,792
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		298	298	298	298	298	298	298	298	298	298	298	298	3,570	8,626	17,792
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		167	167	167	167	167	167	167	167	167	167	167	167	2,000	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		167	167	167	167	167	167	167	167	167	167	167	167	2,000	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	22,985	17,684	18,422
<b>Funded by:</b>																
National Government		1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	16,285	16,984	17,722
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	16,285	16,984	17,722
<b>Public contributions &amp; donations</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		558,333.33	558	558	558	558	558	558	558	558	558	558	558	6,700	700	700
<b>Total Capital Funding</b>		1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	22,985	17,684	18,422



**Table 34 MBRR SA30 - Budgeted monthly cash flow**

KZN226 Mkhambathini - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash Receipts By Source</b>													1		
Property rates	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	13,435	14,182	15,005
Service charges - electricity revenue															
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse revenue	44	44	44	44	44	44	44	44	44	44	44	44	531	560	592
Service charges - other															
Rental of facilities and equipment															
Interest earned - external investments	218	218	218	218	218	218	218	218	218	218	218	218	2,618	2,763	2,924
Interest earned - outstanding debtors	104	104	104	104	104	104	104	104	104	104	104	104	1,248	1,317	1,394
Dividends received															
Fines, penalties and forfeits	6	6	6	6	6	6	6	6	6	6	6	6	74	78	83
Licences and permits	388	388	388	388	388	388	388	388	388	388	388	388	4,659	4,918	5,203
Agency services															
Transfer receipts - operational	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	63,487	66,738	70,319
Other revenue	71	71	71	71	71	71	71	71	71	71	71	71	851	899	951
<b>Cash Receipts by Source</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>7,242</b>	<b>86,903</b>	<b>91,456</b>	<b>96,471</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	16,427	18,564	19,539
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits															
Decrease (Increase) in non-current debtors															
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
<b>Total Cash Receipts by Source</b>	<b>8,611</b>	<b>8,611</b>	<b>8,611</b>	<b>8,611</b>	<b>8,611</b>	<b>8,611</b>	<b>8,611</b>	<b>8,611</b>	<b>8,611</b>	<b>8,611</b>	<b>8,611</b>	<b>8,611</b>	<b>103,330</b>	<b>110,020</b>	<b>116,010</b>
<b>Cash Payments by Type</b>															
Employee related costs	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	32,247	34,149	36,130
Remuneration of councillors	450	450	450	450	450	450	450	450	450	450	450	450	5,398	5,717	6,048
Finance charges	16	16	16	16	16	16	16	16	16	16	16	16	196	207	219
Bulk purchases - Electricity															
Bulk purchases - Water & Sewer															
Other materials															
Contracted services															
Transfers and grants - other municipalities															
Transfers and grants - other															
Other expenditure	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	42,120	42,803	45,157
<b>Cash Payments by Type</b>	<b>6,663</b>	<b>6,663</b>	<b>6,663</b>	<b>6,663</b>	<b>6,663</b>	<b>6,663</b>	<b>6,663</b>	<b>6,663</b>	<b>6,663</b>	<b>6,663</b>	<b>6,663</b>	<b>6,663</b>	<b>79,961</b>	<b>82,876</b>	<b>87,554</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	22,985	22,985	22,985
Repayment of borrowing															
Other Cash Flow s/Payments															
<b>Total Cash Payments by Type</b>	<b>8,579</b>	<b>8,579</b>	<b>8,579</b>	<b>8,579</b>	<b>8,579</b>	<b>8,579</b>	<b>8,579</b>	<b>8,579</b>	<b>8,579</b>	<b>8,579</b>	<b>8,579</b>	<b>8,579</b>	<b>102,946</b>	<b>105,861</b>	<b>110,539</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>385</b>	<b>4,159</b>	<b>5,471</b>
Cash/cash equivalents at the month/year begin:	37,260	37,292	37,325	37,357	37,389	37,421	37,453	37,485	37,517	37,549	37,581	37,613	37,260	37,645	41,804
Cash/cash equivalents at the month/year end:	37,292	37,325	37,357	37,389	37,421	37,453	37,485	37,517	37,549	37,581	37,613	37,645	37,645	41,804	47,275

## **2.6 Annual budgets and SDBIPs – internal departments**

In terms of section 53(1)©(ii) the Mayor must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget.

## **2.7 Capital expenditure details**

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table MBRR SA 34a - Capital expenditure on new assets by asset class

## KZN226 Mkhambathini - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		6,201	5,000	14,351	15,626	15,626	15,626	3,500	8,556	17,722
Roads Infrastructure		6,201	5,000	14,351	15,626	15,626	15,626	3,500	8,556	17,722
Roads		6,201	5,000	14,351	15,626	15,626	15,626	3,500	8,556	17,722
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		—	—	—	—	—	—	—	—	—
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		—	11,251	—	—	—	—	16,285	8,428	—
Community Facilities		—	5,251	—	—	—	—	16,285	8,428	—
Halls			2,500					5,500	5,928	
Centres										
Crèches			2,751					10,785	2,500	
Clinics/Care Centres										

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Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Purfs										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities	-	6,000	-	-	-	-	-	-	-	
Indoor Facilities										
Outdoor Facilities		6,000								
Capital Spares										
Heritage assets	-	-	-	-	-	-	-	-	-	
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property										
Unimproved Property										
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property										
Unimproved Property										
Other assets	3,720	760	-	800	800	800	500	-	-	
Operational Buildings	3,720	760	-	800	800	800	500	-	-	
Municipal Offices	2,200	400					500			
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores	20									
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares	1,500	360		800	800	800				
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets										
Intangible Assets	-	-	-	-	-	-	-	-	-	
Servitudes										
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment	-	-	850	350	350	350	350	350	350	
Computer Equipment			850	350	350	350	350	350	350	
Furniture and Office Equipment	-	-	200	350	350	350	350	350	350	
Furniture and Office Equipment			200	350	350	350	350	350	350	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment										
Transport Assets	-	1,450	1,000	2,000	2,000	2,000	2,000	-	-	
Transport Assets		1,450	1,000	2,000	2,000	2,000	2,000			
Libraries	-	-	-	-	-	-	-	-	-	
Libraries										
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	9,921	18,461	16,401	19,126	19,126	19,126	22,985	17,684	18,422

**Table 36 MBRR SA34b - Capital expenditure on the renewal of existing assets asset class****KZN226 Mkhambathini - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										

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Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
<b>Other assets</b>	-	-	-	700	700	700	-	-	-	-
Operational Buildings	-	-	-	700	700	700	-	-	-	-
Municipal Offices				700	700	700				
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	-
Computer Equipment										
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-	-
Transport Assets										
<b>Libraries</b>	-	-	-	-	-	-	-	-	-	-
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on renewal of existing</b>	1	-	-	-	700	700	700	-	-	-
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	3.5%	3.5%	3.5%	0.0%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn"</b>		0.0%	0.0%	0.0%	14.6%	14.6%	14.6%	0.0%	0.0%	0.0%

Table 37 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN226 Mkhambathini - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>1,060</b>	<b>150</b>	<b>2,000</b>	<b>2,600</b>	<b>2,600</b>	<b>2,600</b>	<b>2,759</b>	<b>2,921</b>	<b>3,091</b>
Roads Infrastructure		1,060	150	2,000	2,600	2,600	2,600	2,759	2,921	3,091
Roads		1,060	150	2,000	2,600	2,600	2,600	2,759	2,921	3,091
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>		<b>-</b>	<b>2,560</b>	<b>1,500</b>	<b>1,400</b>	<b>1,400</b>	<b>1,400</b>	<b>2,122</b>	<b>2,247</b>	<b>2,378</b>
Community Facilities		-	2,560	1,500	1,400	1,400	1,400	2,122	2,247	2,378
Halls			1,500	1,500	1,400	1,400	1,400	1,485	1,573	1,664
Centres			1,060					637	674	713
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										

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Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Purls										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
<b>Other assets</b>	318	320	1,600	1,400	1,400	1,400	743	787	832	
Operational Buildings	318	320	1,600	1,400	1,400	1,400	743	787	832	
Municipal Offices	318	320	800	700	700	700	743	787	832	
Pay/Enquiry Points										
Building Plan Offices										
Workshops			800	700	700	700				
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	-	-	-	-	-	-	159	169	178	
Computer Equipment							159	169	178	
<b>Furniture and Office Equipment</b>	-	-	150	150	150	150	-	-	-	
Furniture and Office Equipment			150	150	150	150				
<b>Machinery and Equipment</b>	21	100	-	-	-	-	318	337	357	
Machinery and Equipment	21	100					318	337	357	
<b>Transport Assets</b>	-	150	600	600	600	600	637	674	713	
Transport Assets		150	600	600	600	600	637	674	713	
<b>Libraries</b>	-	-	-	-	-	-	-	-	-	
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals										
<b>Total Repairs and Maintenance Expenditure</b>	1	1,399	3,280	5,850	6,150	6,150	6,150	6,737	7,135	7,549
<b>R&amp;M as a % of PPE</b>		1.8%	3.5%	5.5%	4.8%	4.8%	4.8%	5.3%	5.8%	5.6%
<b>R&amp;M as % Operating Expenditure</b>		2.6%	5.7%	9.6%	7.5%	7.3%	7.3%	8.0%	8.2%	8.4%



## **2.8 Legislation compliance status**

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 5 interns through this programme and a majority of them were appointed either in MKHAMBATHINI Municipality or other municipalities.
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee  
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2017/18 MTREF in May 2017 directly aligned and informed by the 2017/18 MTREF.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.

## **2.9 Other supporting documents**

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN226 Mkhambathini - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

KZN226 mkhambathini - Supporting table SA1 Supporting detail to Budgeted Financial Performance											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		8,489	13,024	13,363	14,120	14,120	14,120	14,120	14,982	15,815	16,732
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		1,450	1,450	1,537	1,457	1,457	1,457	1,457	1,546	1,632	1,727
Net Property Rates		7,038	11,573	11,826	12,663	12,663	12,663	12,663	13,435	14,182	15,005
Service charges - electricity revenue	6										
Total Service charges - electricity revenue											
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	6										
Total Service charges - water revenue											
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	6										
Total refuse removal revenue					500	500	500	500	531	560	592
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		-	-	-	500	500	500	500	531	560	592
Other Revenue by source											
List other revenue by source			164								
Clearance Certificate		13	245	10	9	9	9	9	10	10	11
Tender Proposal		78		106	97	97	97	97	103	108	115
Commission Received		-		6	7	7	7	7	7	8	8
Building plans		127		231	346	346	346	346	367	388	410
Other Revenue		100		30	325	325	325	325	344	364	385
Library fees		0		0	20	20	20	20	20	21	22
Social Welfare		-									
Application fee (Planning)		-									
Subscription library		87									
Decrease in provision for bad debts		-									
Total 'Other' Revenue	3										
	1	406	410	384	803	803	803	803	851	899	951
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	15,199	14,569	15,920	19,236	19,236	19,236	19,236	23,057	24,418	25,834
Pension and UIF Contributions		1,660	3,455	2,223	3,522	3,522	3,522	3,522	3,949	4,182	4,425
Medical Aid Contributions		626	620	833	1,522	1,522	1,522	1,522	1,760	1,864	1,972
Overtime		757	710	855	1,060	1,060	1,060	1,060	1,124	1,190	1,259
Performance Bonus		1,390	917	828	1,544	1,544	1,544	1,544	2,030	2,149	2,274
Motor Vehicle Allowance		91	359	318	-	-	-	-	-	-	-
Cellphone Allowance		15	60	52	66	66	66	66	69	73	77
Housing Allowances		33	42	52	97	97	97	97	251	266	281
Other benefits and allowances		109	268	90	8	8	8	8	7	7	7
Payments in lieu of leave		509	411	423							
Long service awards		-	-								
Post-retirement benefit obligations		-	-								
sub-total	4										
	5	20,388	21,411	21,594	27,056	27,056	27,056	27,056	32,247	34,149	36,130
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	20,388	21,411	21,594	27,056	27,056	27,056	27,056	32,247	34,149	36,130

**Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance  
Continued)**

<b>Contributions recognised - capital</b>											
<i>List contributions by contract</i>											
<b>Total Contributions recognised - capital</b>		-	-	-	-	-	-	-	-	-	-
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment		4,039	4,627	5,588	4,800	6,000	6,000	6,000	6,100	6,300	6,400
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE											
<b>Total Depreciation &amp; asset impairment</b>		4,039	4,627	5,588	4,800	6,000	6,000	6,000	6,100	6,300	6,400
<b>Bulk purchases</b>											
Electricity Bulk Purchases											
Water Bulk Purchases											
<b>Total bulk purchases</b>		-	-	-	-	-	-	-	-	-	-
<b>Transfers and grants</b>											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		8,808	7,734	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>		8,808	7,734	-	-	-	-	-	-	-	-
<b>Contracted services</b>											
<i>List services provided by contract</i>											
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
<b>Allocations to organs of state:</b>											
Electricity											
Water											
Sanitation											
Other											
<b>Total contracted services</b>		-	-	-	-	-	-	-	-	-	-
<b>Other Expenditure By Type</b>											
Collection costs											
Contributions to 'other' provisions		555	800	800	700	700	700	700	318	337	357
Consultant fees			2,220	1,000	700	700	700	700	700	750	750
Audit fees		954	1,700	1,400	1,964	1,964	1,964	1,964	2,084	2,198	2,326
General expenses		2,080	7,250	21,665	9,411	10,997	10,997	10,997	9,768	10,222	11,189
<b>Job Creation</b>			5,500	2,415	1,800	1,800	1,800	1,800	1,900	2,012	2,100
water and electricity		2,507			530	530	530	530	562	596	630
<b>FMG expenditure</b>		1,500			1,825	1,825	1,825	1,825	1,900	2,155	2,415
<b>LED</b>		318			850	850	850	850	800	800	900
<b>Sport and rec</b>		530			1,000	1,000	1,000	1,000	950	950	950
<b>Telephones</b>		530			500	500	500	500	500	530	560
<b>Electrification</b>		-			10,000	10,000	10,000	10,000	8,000	8,000	8,000
<b>EPWP expenditure</b>		-			1,253	1,253	1,253	1,253	1,089	-	-
<b>Library expenditure</b>		-			1,264	1,264	1,264	1,264	1,325	1,392	1,453
<b>MSIG expenditure</b>		-			-	0	0	0	-	-	-
<b>Arts &amp; Culture</b>		318			500	500	500	500	500	530	560
<b>Information Tech</b>		371			300	300	300	300	300	318	336
<b>Disaster Manage</b>		900			400	400	400	400	400	424	448
<b>Fuel and oil</b>		890			650	650	650	650	690	730	773
<b>Printing and stationery</b>		530			500	500	500	500	520	551	583
<b>Legal fees</b>		424			500	500	500	500	500	500	500
<b>Kwanloga</b>		-			500	500	500	500	500	500	500
<b>Rental of other equipment</b>		212			600	600	600	600	637	674	713
<b>ward committees</b>		212			830	830	830	830	881	933	987
<b>WCA</b>		742			600	600	600	600	400	400	400
<b>Pound expenditure</b>		-			150	150	150	150	159	169	178
<b>Repairs and Maintenance</b>		191			6,350	6,350	6,350	6,350	6,737	7,135	7,549
<b>Total 'Other' Expenditure</b>		13,763	17,470	27,281	43,678	45,264	45,264	45,264	42,120	42,803	45,157
<b>Repairs and Maintenance</b>											
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		2,507	2,220	5,750	6,350	6,350	6,350	6,350	6,737	-	-
<b>Total Repairs and Maintenance Expenditure</b>		2,507	2,220	5,750	6,350	6,350	6,350	6,350	6,737	-	-

**Table 39 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

KZN226 Mkhambathini - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Municipal Manager	Vote 3 - Budget and Treasury Office	Vote 4 - Corporate Services	Vote 5 - Community Services	Vote 6 - Library	Vote 7 - Vehicle Registration and Testing	Vote 8 - Solid Waste	Vote 9 - Technical Services	Vote 10 - Technical Services	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
<b>R thousand</b>	1																
<b>Revenue By Source</b>																	
Property rates				13,435													13,435
Service charges - electricity revenue																	-
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue				531													531
Service charges - other																	-
Rental of facilities and equipment																	-
Interest earned - external investments				2,618													2,618
Interest earned - outstanding debtors				1,248													1,248
Dividends received																	-
Fines, penalties and forfeits				74													74
Licences and permits								4,659									4,659
Agency services																	-
Other revenue				851													851
Transfers and subsidies				63,487													63,487
Gains on disposal of PPE																	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	82,244	-	-	-	4,659	-	-	-	-	-	-	-	-	86,903
<b>Expenditure By Type</b>																	
Employee related costs		1,289	2,795	4,882	5,652	4,976	1,005	3,816		7,831							32,247
Remuneration of councillors		5,398															5,398
Debt impairment				700													700
Depreciation & asset impairment				6,100													6,100
Finance charges				196													196
Bulk purchases																	-
Other materials																	-
Contracted services																	-
Transfers and subsidies																	-
Other expenditure				42,120													42,120
Loss on disposal of PPE																	-
<b>Total Expenditure</b>		6,687	2,795	53,998	5,652	4,976	1,005	3,816	-	7,831	-	-	-	-	-	-	86,761
<b>Surplus/(Deficit)</b>		(6,687)	(2,795)	28,246	(5,652)	(4,976)	(1,005)	843	-	(7,831)	-	-	-	-	-	-	142
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)																	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)																	-
Transfers and subsidies - capital (in-kind - all)																	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(6,687)	(2,795)	28,246	(5,652)	(4,976)	(1,005)	843	-	(7,831)	-	-	-	-	-	-	142

Table 40 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN226 Mkhambathini - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

KENYA INFORMATION - Supporting Table 6A: Supporting detail to Budgeted Financial Position									2017/18 Medium Term Revenue & Expenditure Framework		
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome			
R thousand											
ASSETS											
Call investment deposits	2										
Call deposits											
Other current investments		5,256	14,080	36,218	12,000	12,000	12,000	12,000	23,263	31,142	40,000
Total Call investment deposits	2	5,256	14,080	36,218	12,000	12,000	12,000	12,000	23,263	31,142	40,000
Consumer debtors											
Consumer debtors	2	3,456	12,235	15,568	12,000	12,000	12,000	12,000	16,000	15,000	14,000
Less: Provision for debt impairment		(4,890)	(6,617)	(5,590)	(5,590)	(5,590)	(5,590)	(5,590)	(5,590)	(5,590)	(5,590)
Total Consumer debtors		3,456	7,345	8,951	6,410	6,410	6,410	6,410	10,410	9,410	8,410
Debt impairment provision											
Balance at the beginning of the year			2,630	7,522	4,890	4,890	4,890	4,890	5,590	6,290	6,990
Contributions to the provision			2,258	1,600	700	700	700	700	700	700	700
Bad debts written off											
Balance at end of year		-	4,888	9,122	5,590	5,590	5,590	5,590	6,290	6,990	7,690
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)	3	91,188	116,453	132,991	154,892	154,892	154,892	154,892	157,373	175,057	193,479
Leases recognised as PPE											
Less: Accumulated depreciation	2	11,584	21,978	26,678	26,678	26,678	26,678	26,678	33,376	39,376	45,376
Total Property, plant and equipment (PPE)	2	79,604	94,475	106,313	128,214	128,214	128,214	128,214	123,997	135,681	148,103
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors	2	7,062	7,011	6,741	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Unspent conditional transfers			4,055	3,171							
VAT											
Total Trade and other payables	2	7,062	11,067	9,911	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Non current liabilities - Borrowing											
Borrowing	4										
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions - non-current											
Retirement benefits											
List other major provision items											
Refuse landfill site rehabilitation											
Other		1,865	2,200	2,816	2,600	2,600	2,600	2,600	2,800	3,000	3,200
Total Provisions - non-current		1,865	2,200	2,816	2,600	2,600	2,600	2,600	2,800	3,000	3,200
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance	1	35,809	71,770	96,951	129,062	129,062	129,062	129,062	148,578	165,006	184,311
GRAP adjustments											
Restated balance		35,809	71,770	96,951	129,062	129,062	129,062	129,062	148,578	165,006	184,311
Surplus/(Deficit)		7,912	25,303	34,664	19,431	19,516	19,516	19,516	16,427	18,564	19,539
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	43,721	97,073	131,615	148,493	148,578	148,578	148,578	165,006	183,570	203,849
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation		13,673									
Total Reserves	2	13,673	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	57,394	97,073	131,615	148,493	148,578	148,578	148,578	165,006	183,570	203,849

**Table 41 MBRR Table SA9 – Social, economic and demographic statistics and assumptions**

KZN226 Mkhambathini - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population						59	59	59	59	59	59	59
Females aged 5 - 14						8	8	8	8	8	8	8
Males aged 5 - 14						7	7	7	7	7	7	7
Females aged 15 - 34						11	11	11	11	11	11	11
Males aged 15 - 34						10	10	10	10	10	10	10
Unemployment						8	8	8	8	8	8	8
<b>Monthly household income (no. of households)</b>	1, 12											
No income												
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13											
Insert description	2											
<b>Household/demographics (000)</b>												
Number of people in municipal area						59	59	59	59	59	59	59
Number of poor people in municipal area												
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)						2,160	2,160	2,160	2,160	2,160	2,160	2,160
<b>Housing statistics</b>	3											
Formal						3,797	3,797	3,797	3,797	3,797	3,797	3,797
Informal						481	481	481	481	481	481	481
<b>Total number of households</b>			-	-	-	4,278	4,278	4,278	4,278	4,278	4,278	4,278
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
<b>Total new housing dwellings</b>			-	-	-	-	-	-	-	-	-	-
<b>Economic</b>	6											
Inflation/inflation outlook (CPIX)						5.4%	5.4%	5.4%	6.0%	6.1%	5.9%	5.8%
Interest rate - borrowing						8.0%	8.0%	8.0%	6.0%	6.0%	6.0%	6.0%
Interest rate - investment						7.0%	7.0%	7.0%	6.0%	7.3%	5.9%	5.8%
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
<b>Collection rates</b>	7											
Property tax/service charges						85.0%	60.0%	65.0%	70.0%	80.0%	85.0%	90.0%
Rental of facilities & equipment												
Interest - external investments						8.0%	8.0%	8.0%	6.0%	6.0%	6.0%	6.0%
Interest - debtors						6.0%	6.0%	6.0%	0.0%	1.0%	1.0%	1.0%
Revenue from agency services												

**MUNICIPAL NOTICE NO. .... /2017**

**AMENDMENT TO TARIFFS: 2017/2018 FINANCIAL YEAR**

Notice is hereby given in terms of Section 75A(3)(b) of the Local Government: Municipal Systems Act (Act 32 of 2000), that MKHAMBATHINI Municipal Council by Resolution taken on 27 May 2017 resolved to amend the following tariffs as indicated:

The date on which this notice was first displayed on the municipal notice board is 1 June 2017

These tariffs will come into operation on 1 July 2017.

T C Ndlela  
Municipal Manager  
MKHAMBATHINI Municipality  
Private Bag X04  
**CAMPERDOWN**  
3720

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**MUNICIPAL NOTICE NO: .../ 2017**

**ASSESSMENT OF GENERAL RATES FOR 2016/ 2017**

Notice is hereby given in terms of Section 14 of the Local Government: Municipal Property Rates Act No 6 of 2004, that by Resolution taken on 27 May 2017 the Council of MKHAMBATHINI Municipality has resolved to determine the rates payable on all ratable property within the area of MKHAMBATHINI Municipality for the financial year 1 July 2017 to 30 June 2018

All rebates and exemptions are contained in the Rates Policy and may in certain instances be applied to the rate as assessed above.

**General:**

1. Rates will be payable monthly in eleven (12) equal installments with the first installment payable on 31 August 2017 and the last installment payable on the 30 June 2017.
2. The date on which the determination of rates came into operation is 01 July 2017.
3. Any rates remaining unpaid for a period longer than 3 months may be subject to legal action to be instituted to recover the arrear amount.
4. Any rates that are not paid on the due date will be subject to interest at the rate of 1% per month or part thereof.
5. The date on which the notice was first displayed on the Municipal Notice Board is 01 June 2017.
6. This notice is also available on MKHAMBATHINI Municipality's website [www.MKHAMBATHINI.gov.za](http://www.MKHAMBATHINI.gov.za)

T C Ndlela

Municipal Manager

MKHAMBATHINI Municipality

Private Bag X04

**CAMPERDOWN**

3720



## **2.10 Municipal manager's quality certificate**

OFFICE OF THE MUNICIPAL MANAGER

### QUALITY CERTIFICATE

I, T C Ndlela, Municipal Manager of Mkhambathini Local Municipality, hereby certify that the Draft Budget and SDBIP with the supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and the budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

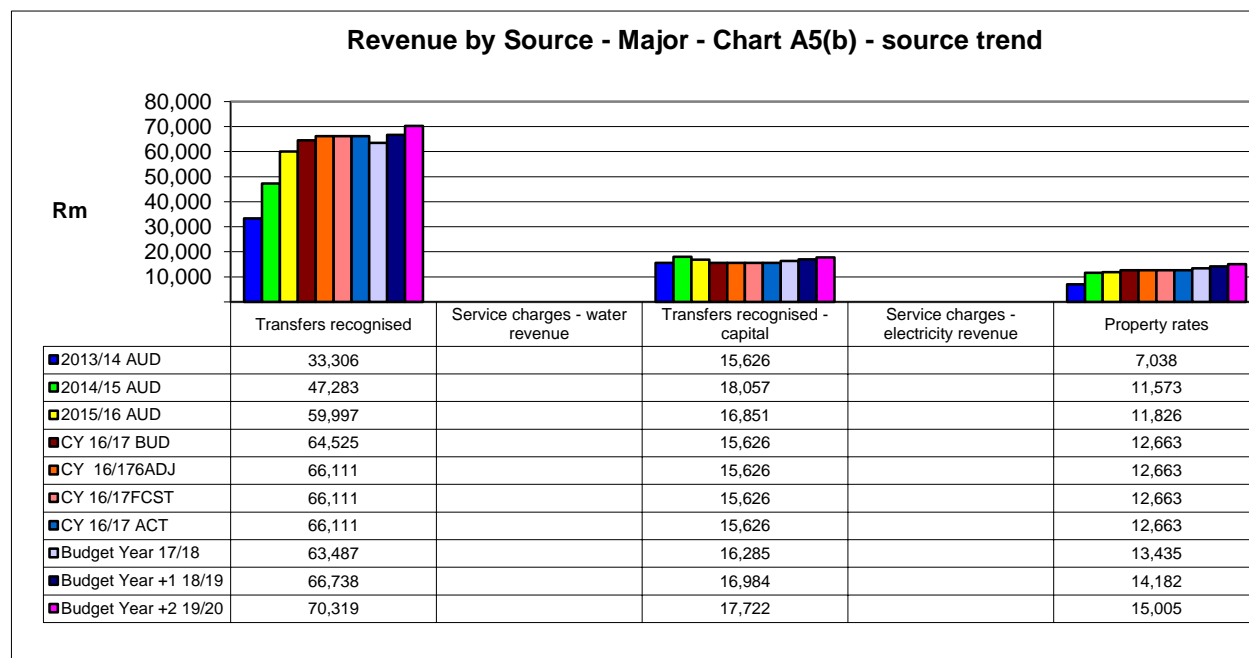
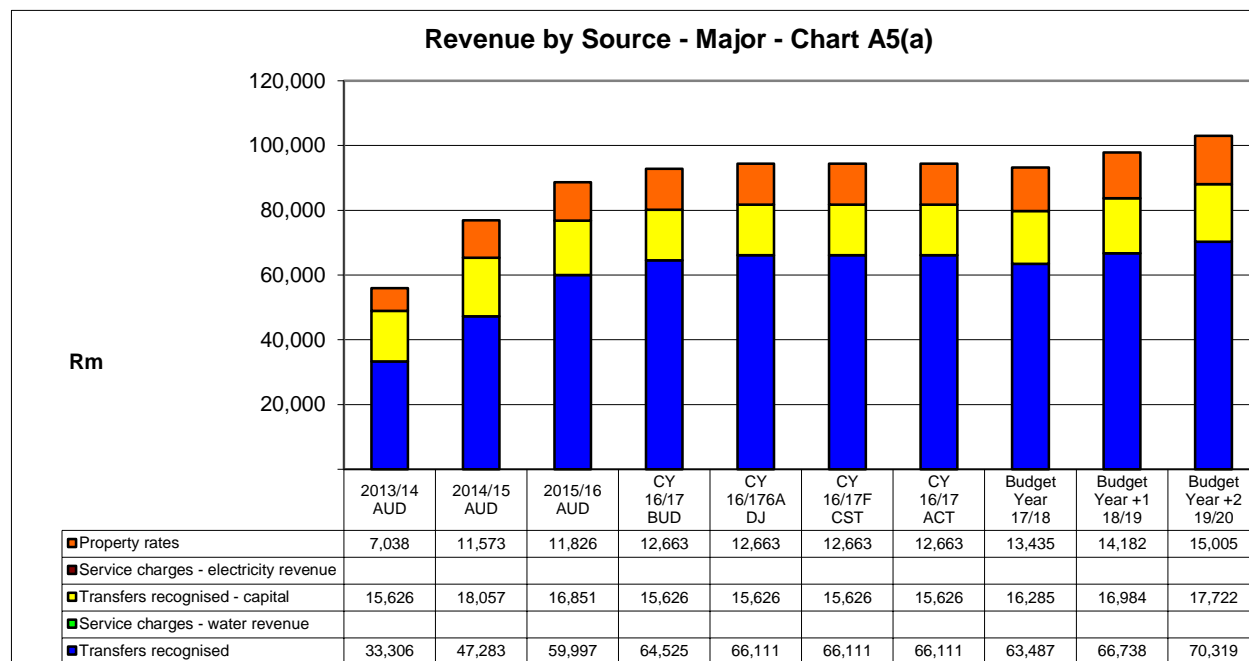
Print Name: T C Ndlela

Municipal Manager of Mkhambathini Local Municipality KZ226

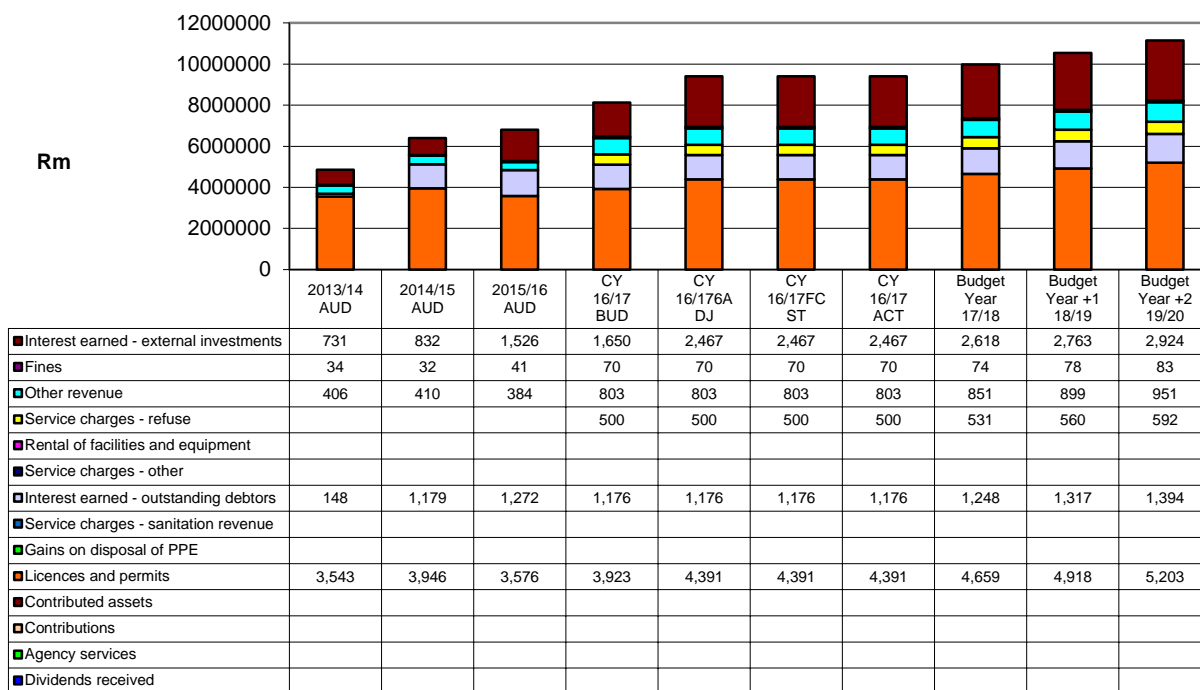
Signature: \_\_\_\_\_

Date: 28 March 2017

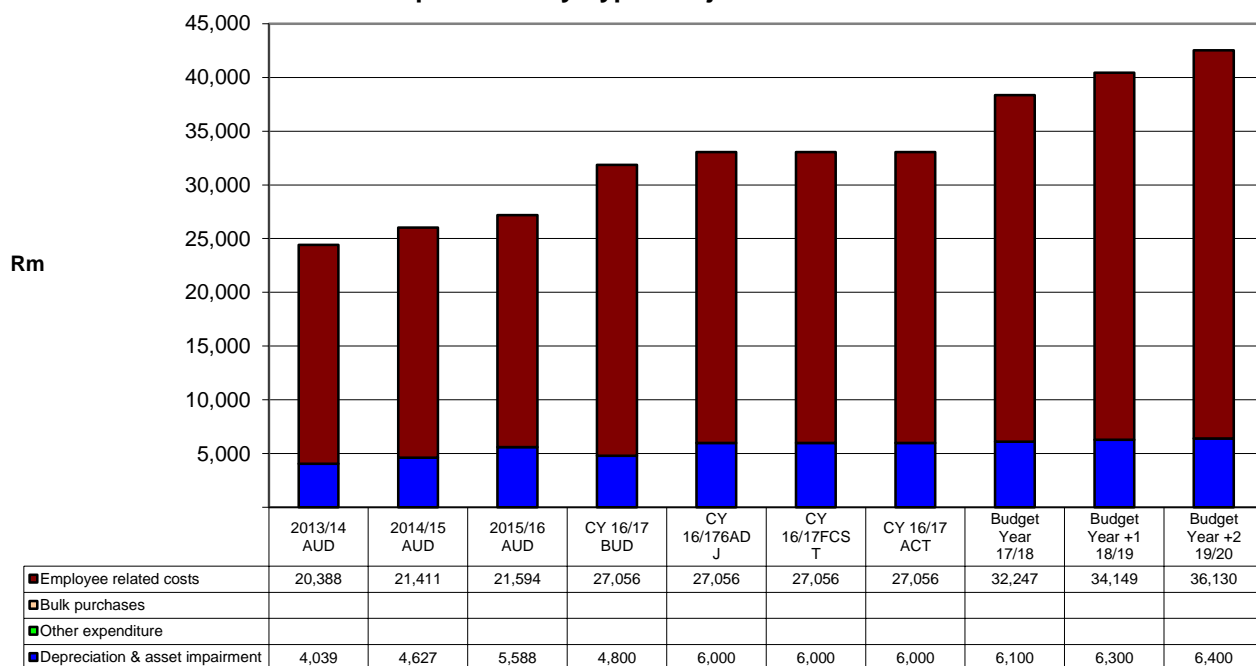
## CHARTS FROM SCHEDULE A2

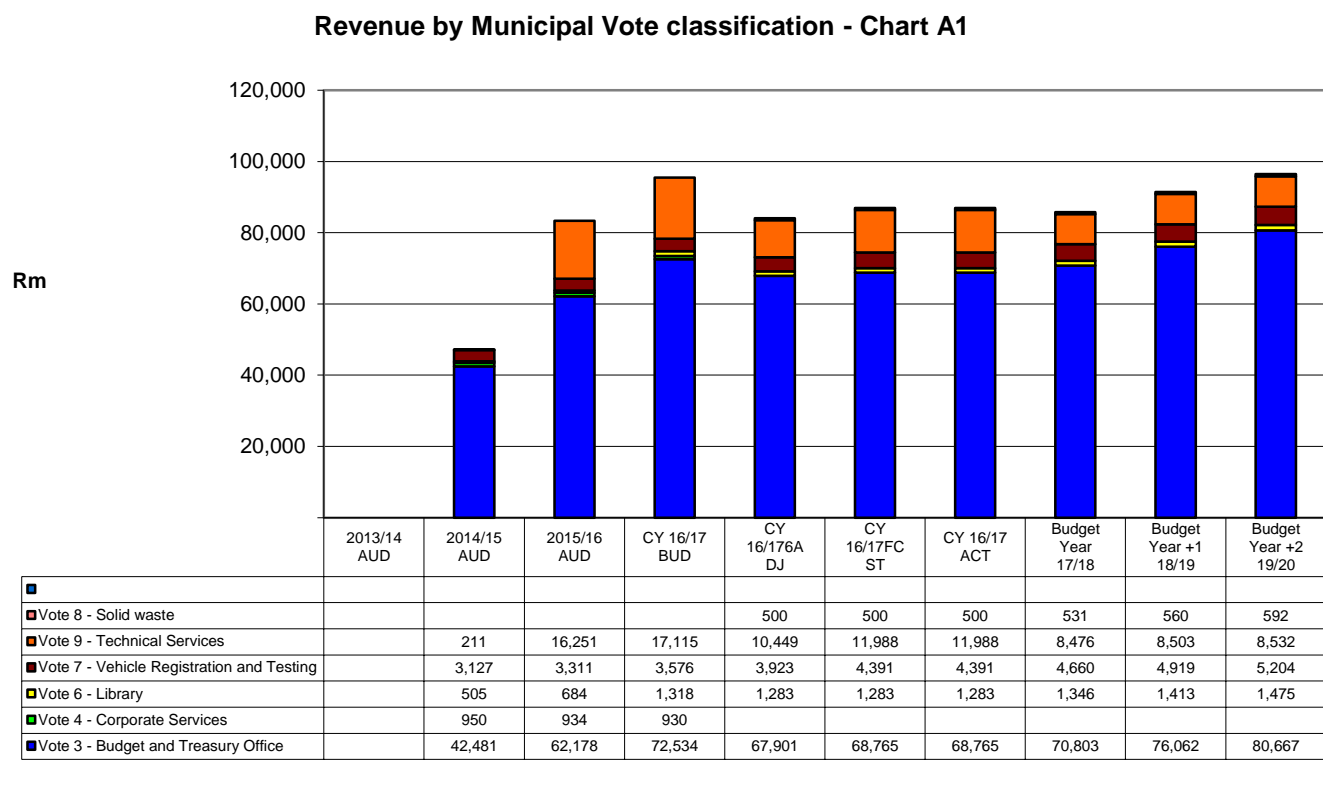
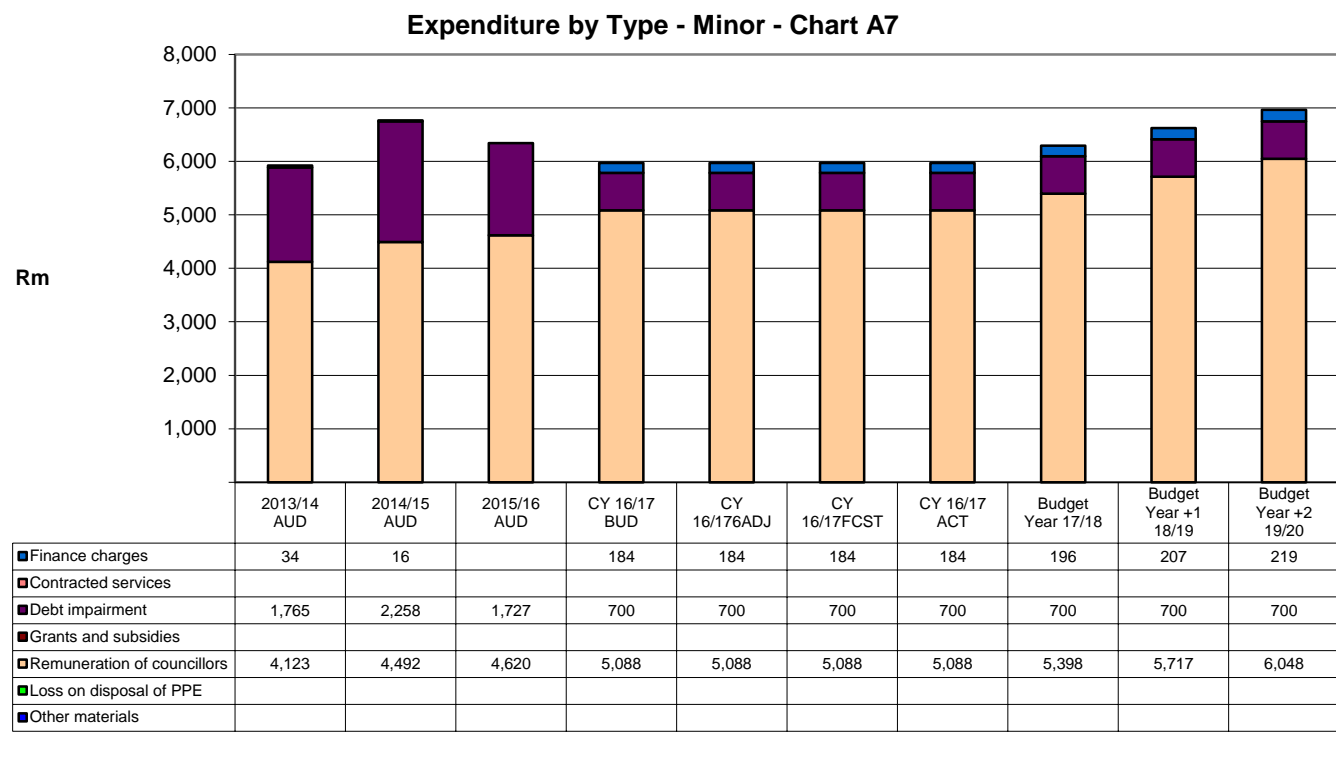


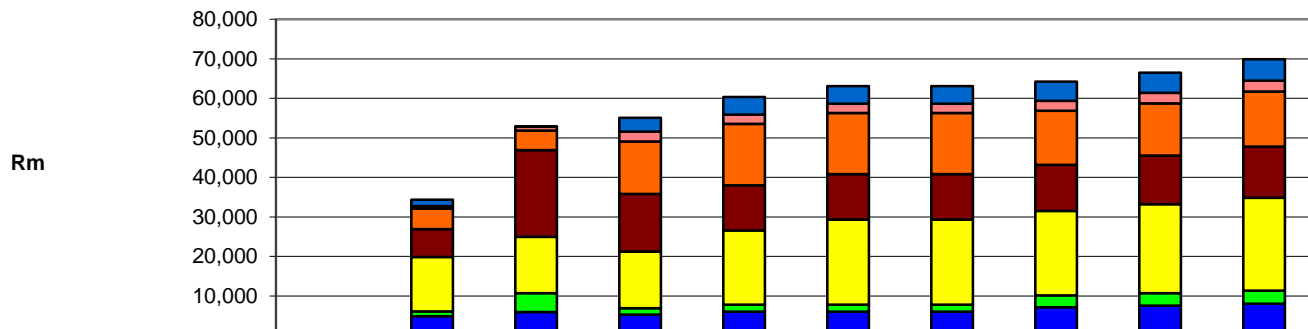
Revenue by Source - Minor - Chart A6



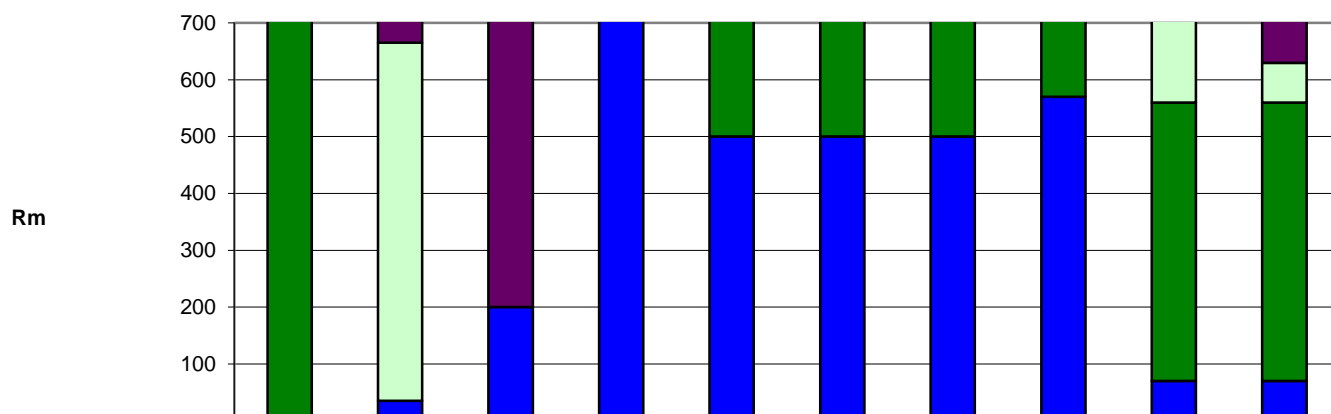
Expenditure by Type - Major - Chart A7



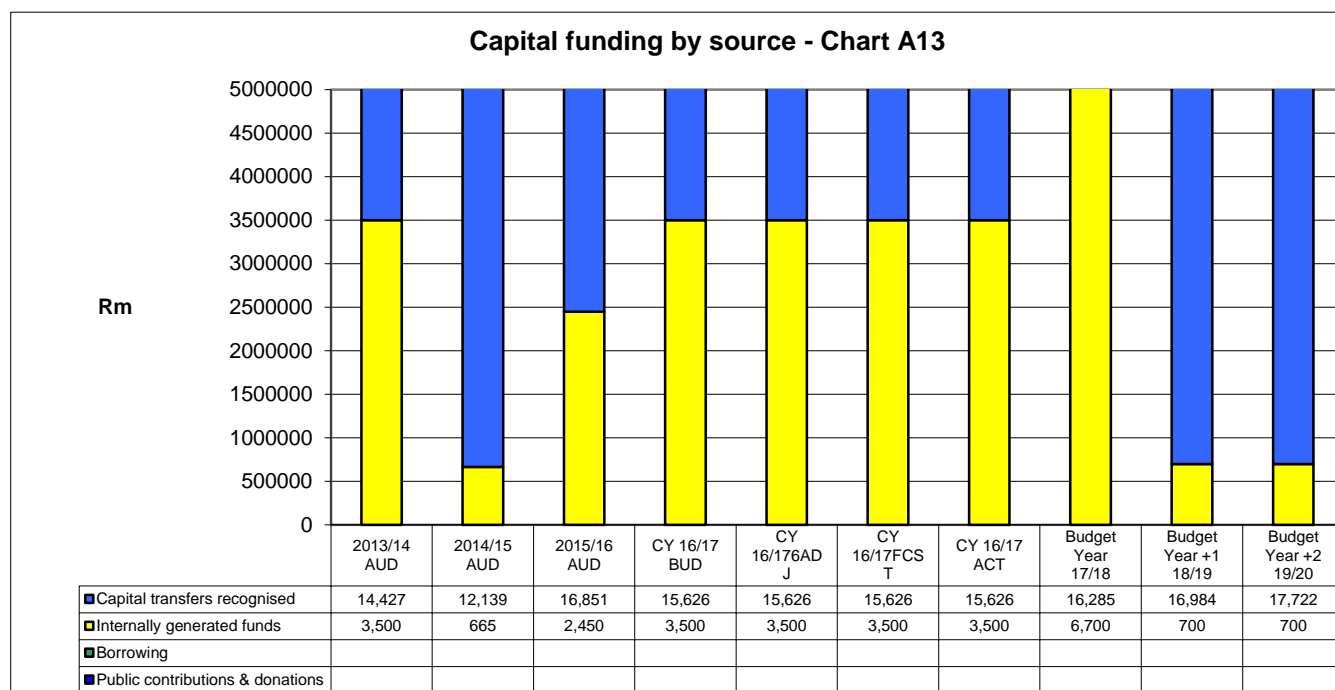


**Expenditure by Municipal Vote - Chart A2a**

Vote 7 - Vehicle Registration and Testing		1,670	17	3,428	4,468	4,468	4,468	4,805	5,084	5,379
Vote 6 - Library		584	968	2,530	2,374	2,374	2,374	2,524	2,660	2,795
Vote 5 - Community Services		5,182	4,897	13,290	15,486	15,486	15,486	13,697	13,188	13,875
Vote 4 - Corporate Services		7,058	21,925	14,594	11,433	11,433	11,433	11,649	12,296	12,939
Vote 3 - Budget and Treasury Office		13,809	14,282	14,323	18,776	21,561	21,561	21,401	22,518	23,529
Vote 2 - Municipal Manager		1,150	4,770	1,615	1,808	1,808	1,808	2,982	3,153	3,335
Vote 1 - Executive and Council		4,919	5,930	5,279	5,994	5,994	5,994	7,144	7,564	8,003

**Capital expenditure by Municipal Vote (Minor) - Chart A10**

Road transport	16,427	12,139	17,851	17,566	19,477	19,477	19,477	3,570	8,626	17,792
Community and social services		630		240	140	140	140	16,355	8,498	70
Corporate services										
Budget and treasury office	1,500			280	280	280	280	490	490	490
Executive and council		35	200	1,340	500	500	500	570	70	70





**MKHAMBATHINI MUNICIPALITY**  
**SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2017/2018**

All municipalities are required in terms of the Municipal Finance Management Act to prepare the Service Delivery and Budget Implementation Plan. The SDBIP is intended to give effect to the Integrated Development Plan and the budget

**1.1 Legislative Framework**

□ The Municipal Systems Act 32 of 2000 requires all municipalities to adopt an Integrated Development Plan that identifies developmental priorities resources and capacity with the implementation plan.

The Integrated Development Plan among other things captures the vision, strategic objectives, key performance indicators, strategies and the financial plan.

□ The Municipal Finance Management Act 56 of 2003 places an obligation on Municipalities to prepare an annual budget which sets out indicative source and projected expenditure by vote.

□ In terms of Sec 53 (1) c) (ii) and 68 (3) (a) of the Municipal Finance Management Act 56 of 2003, municipalities are required to prepare the Service Budget Implementation Plan. The Act defines the plan as a detailed plan approved by the Mayor of a Municipality for implementing the municipality's delivery of services and its annual budget, and which must indicate

a) Projections for each month of –

i) Revenue to be collected, by source, and

ii) Operational and capital expenditure, by vote

b) Service delivery targets and performance indicators for each quarter;

c) Any other matter that may be prescribed and includes any revision of such plan by the mayor in terms of section 54 (1) c)

**1.2 Overview**

The Integrated Development Plan serves as a vital instrument to express the developmental objectives and priorities of the municipality. It identifies the strategic issues that need to be addressed by the municipality to fulfill the developmental mandate as pronounced in the constitution of the Republic of South Africa

**2. Background to the Budget Preparation Process**

Mkhambathini municipality has prepared its budget in accordance with the provisions of chapter 4 of the Municipal Finance Management Act 56 of 2003. The budget focuses on priorities identified in the Integrated Development Plan. It therefore gives effect to strategic priorities of the municipality. The powers and functions assigned to the municipality serve as a guide in the process of developing the municipal budget. The schedule of key deadlines were tabled on 31 August 2016 following the adoption of the draft IDP review. The tabling of the Budget at Council on the 27 May 2017 was followed by extensive publication of the budget, inviting comments from all municipal stakeholders. Various public and community consultative meetings were conducted to receive representations and submissions from ward committees, residents, community organizations, organized business and other stakeholder formations.

# MKHAMBATHINI Municipality 2017/18 Draft Annual Budget and MTREF

## COMPONENT 1 - MONTHLY PROJECTIONS OF REVENUE BY SOURCE

	Budget July 2017	Budget August 2017	Budget September 2017	Budget October 2017	Budget November 2017	Budget December 2017	Budget January 2017	Budget February 2017	Budget March 2017	Budget April 2017	Budget May 2017	Budget June 2017	Budget Full Year 2017/2018
<b>Monthly Projections of Revenue by Source</b>													
Property rates	1,119,614	1,119,614	1,119,614	1,119,614	1,119,614	1,119,614	1,119,614	1,119,614	1,119,614	1,119,614	1,119,614	1,119,614	13,435,365
Service Charges Electricity													
Service Charges – Water													
Service Charges Sanitation													
Service Charges -Refuse	44,208	44,208	44,208	44,208	44,208	44,208	44,208	44,208	44,208	44,208	44,208	44,208	530,500
Service Charges- Other													
Rental Facilities and Equipment													
Interest earned - external investment	218,146	218,146	218,146	218,146	218,146	218,146	218,146	218,146	218,146	218,146	218,146	218,146	2,617,758
Interest earned Outstanding Debtors	103,981	103,981	103,981	103,981	103,981	103,981	103,981	103,981	103,981	103,981	103,981	103,981	1,247,777
Government grants- Operational	5,290,583	5,290,583	5,290,583	5,290,583	5,290,583	5,290,583	5,290,583	5,290,583	5,290,583	5,290,583	5,290,583	5,290,583	63,487,000
Licences and permits	388,254	388,254	388,254	388,254	388,254	388,254	388,254	388,254	388,254	388,254	388,254	388,254	4,659,046
Other Income	70,938	70,938	70,938	70,938	70,938	70,938	70,938	70,938	70,938	70,938	70,938	70,938	851,250
Fines	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	74,324
<b>Total Revenue by Source</b>	<b>7,241,918</b>	<b>7,241,918</b>	<b>7,241,918</b>	<b>7,241,918</b>	<b>7,241,918</b>	<b>7,241,918</b>	<b>7,241,918</b>	<b>7,241,918</b>	<b>7,241,918</b>	<b>7,241,918</b>	<b>7,241,918</b>	<b>7,241,918</b>	<b>86,903,020</b>



# MKHAMBATHINI Municipality 2017/18 Draft Annual Budget and MTREF

COMPONENT 2 - MONTHLY PROJECTIONS OF OPERATING EXPENDITURE BY VOTE													
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Year Total 2017/2018
<b>OPERATING EXPENDITURE BY VOTE</b>													
<b>DEPARTMENT: MUNICIPAL MANAGER</b>													
<u>Vote: Governance and Administration</u>													
Function: Executive & Council													
Sub-function: Council	595,345	595,345	595,345	595,345	595,345	595,345	595,345	595,345	595,345	595,345	595,345	595,345	7,144,136
Sub-function: Municipal Manager	248,520	248,520	248,520	248,520	248,520	248,520	248,520	248,520	248,520	248,520	248,520	248,520	2,982,243
<b>DEPARTMENT: CORPORATE SERVICES</b>													
<u>Vote: Governance and Administration</u>													
Function: Corporate Services	970,755	970,755	970,755	970,755	970,755	970,755	970,755	970,755	970,755	970,755	970,755	970,755	11,649,058
<b>DEPARTMENT: BUDGET &amp; TREASURY</b>													
<u>Vote: Governance and Administration</u>													
Function: Budget & Treasury	1,783,451	1,783,451	1,783,451	1,783,451	1,783,451	1,783,451	1,783,451	1,783,451	1,783,451	1,783,451	1,783,451	1,783,451	21,401,414
<b>DEPARTMENT: COMMUNITY SERVICES</b>													
<u>Vote: Community and Public Safety</u>													
Function: Community & Social Services	1,141,395	1,141,395	1,141,395	1,141,395	1,141,395	1,141,395	1,141,395	1,141,395	1,141,395	1,141,395	1,141,395	1,141,395	13,696,744
Sub-function: Public Library	210,304	210,304	210,304	210,304	210,304	210,304	210,304	210,304	210,304	210,304	210,304	210,304	2,523,651
Sub Function : VR & Testing	400,393	400,393	400,393	400,393	400,393	400,393	400,393	400,393	400,393	400,393	400,393	400,393	4,804,717
Sub Function : Solid Waste													
<b>DEPARTMENT: TECHNICAL</b>	1,880,032	1,880,032	1,880,032	1,880,032	1,880,032	1,880,032	1,880,032	1,880,032	1,880,032	1,880,032	1,880,032	1,878,532	22,558,880
<b>TOTAL BY VOTE</b>	<b>7,230,195</b>	<b>7,230,195</b>	<b>7,230,195</b>	<b>7,230,195</b>	<b>7,230,195</b>	<b>7,230,195</b>	<b>7,230,195</b>	<b>7,230,195</b>	<b>7,230,195</b>	<b>7,230,195</b>	<b>7,230,195</b>	<b>7,228,695</b>	<b>86,760,842</b>

# MKHAMBATHINI Municipality 2017/18 Draft Annual Budget and MTREF

## COMPONENT 2 - MONTHLY PROJECTIONS OF CAPITAL EXPENDITURE BY VOTE

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Year Total 2016/2017
<b>CAPITAL EXPENDITURE BY VOTE</b>													
<b>DEPARTMENT: MUNICIPAL MANAGER</b>													
<u>Vote: Governance and Administration</u>													
Function: Executive & Council	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	500,000
Sub-function: Municipal Manager	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	70,000
<b>DEPARTMENT: CORPORATE SERVICES</b>													
<u>Vote: Governance and Administration</u>													
Function: Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-function: Corporate Services													
<b>DEPARTMENT: BUDGET &amp; TREASURY</b>													
<u>Vote: Governance and Administration</u>													
Function: Budget & Treasury	40,833	40,833	40,833	40,833	40,833	40,833	40,833	40,833	40,833	40,833	40,833	40,833	490,000
Sub-function: Budget & Treasury													
<b>DEPARTMENT: COMMUNITY SERVICES</b>													
Function: Community & Social Services	1,362,917	1,362,917	1,362,917	1,362,917	1,362,917	1,362,917	1,362,917	1,362,917	1,362,917	1,362,917	1,362,917	1,362,917	16,355,000
<b>DEPARTMENT: TECHNICAL</b>													
Sub-function: Technical	464,167	464,167	464,167	464,167	464,167	464,167	464,167	464,167	464,167	464,167	464,167	464,167	5,570,000
Function: Corporate Services													
<b>TOTAL BY VOTE</b>	<b>1,915,417</b>	<b>1,915,417</b>	<b>1,915,417</b>	<b>1,915,417</b>	<b>1,915,417</b>	<b>1,915,417</b>	<b>1,915,417</b>	<b>1,915,417</b>	<b>1,915,417</b>	<b>1,915,417</b>	<b>1,915,417</b>	<b>1,915,417</b>	<b>22,985,000</b>